

Bill No. 85-11-36
(as amended)

ORDINANCE NO.

2218-85

An Ordinance concerning the issuance of junior revenue refunding bonds of the City of Fort Wayne, Indiana in an original principal amount of \$3,995,706.70 with respect bond income growth securities and \$14,100,568.45 with respect to capital appreciation bonds, together aggregating an original principal amount of \$18,096,275.15 to provide for the refunding of revenue bonds which were issued to provide for the cost of the construction of additions and improvements to the sewage works of the City of Fort Wayne, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said junior revenue refunding bonds, and other matters connected therewith and repealing ordinances inconsistent therewith

WHEREAS, the City of Fort Wayne (the "City") has heretofore established, constructed and financed sewage works pursuant to Chapter 61 of the Acts of the Indiana General Assembly for the year 1932 (Special Session), and now owns and operates said sewage works pursuant to I.C. 36-9-23 (the "Sewer Act"); and

WHEREAS, the Common Council finds that there are now outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds" (the "1959 Bonds"), dated November 1, 1959, now outstanding in the amount of Six Hundred Forty Thousand (\$640,000), bearing interest at the rates of three and seven-eighths percent (3-7/8%) or three and one-quarter percent (3-1/4%) per annum, depending on the maturities, maturing on August 1 in the years 1986 to 1990, inclusive, which bonds constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds of 1961" (the "1961 Bonds"), dated August 1, 1961, now outstanding in the amount of Nine Hundred Thirty Thousand Dollars (\$930,000), bearing interest at the rate of three and three-quarters percent (3-3/4%) per annum, maturing on August 1 in the years 1986 to 1993, inclusive, which bonds are on a parity with the 1959 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds of 1970" (the "1970 Bonds"), dated April 1, 1970, now outstanding in the amount of One Million Eight Hundred Thirty Thousand Dollars (\$1,830,000), bearing interest at the rates of six and seven-tenths percent (6.7%), six and nine-tenths percent (6.9%) or seven percent (7.0%) per annum, depending on the maturities, maturing on August 1 in the years 1986 to 1995, inclusive, which bonds are on a parity with the 1959 Bonds and the 1961 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Improvement Revenue Bonds of 1975" (the "1975 Bonds"), dated January 1, 1975, now outstanding in the amount of Five Million Two Hundred Eighty-Five Thousand Dollars (\$5,285,000), bearing interest at the rates of six and five-tenths percent (6.5%), six and seven-tenths percent (6.7%) or five percent (5%) per annum, depending on the maturities, maturing on August 1 in the years 1986 to 1997, inclusive, which bonds are on a parity with the 1959 Bonds, the 1961 Bonds and the 1970 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewage Works Revenue Bonds of 1982" (the "1982A Bonds"), dated July 1, 1982, now

outstanding in the amount of Three Million Four Hundred Thousand Dollars (\$3,400,000), bearing interest at the rates of twelve and three hundred seventy-five one-thousandths percent (12.375%), twelve and four-tenths percent (12.4%), twelve and six-tenths percent (12.6%) or twelve and seventy-five one-hundredths percent (12.75%) per annum, depending on the maturities, maturing on August 1 in the years 1996 to 2000, inclusive, which bonds are on a parity with the 1959 Bonds, the 1961 Bonds, the 1970 Bonds and the 1975 Bonds and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the Common Council finds that there are also outstanding bonds issued on account of the construction and improvement of the City's sewage works and payable out of the net revenues therefrom designated "Sewer Connection Revenue Bonds of 1982" (the "1982B Bonds"), dated July 1, 1982, now outstanding in the amount of Three Million Nine Hundred Forty Thousand Dollars (\$3,940,000), bearing interest at the rates of twelve percent (12%), twelve and twenty-five one-hundredths percent (12.25%), twelve and twenty one-hundredths percent (12.20%) and twelve and three hundred seventy-five one-thousandths percent (12.375%) per annum, depending on the maturities, maturing on August 1 in the years 1985 to 1998, inclusive, which bonds are on a parity with the 1959 Bonds, the 1961 Bonds, the 1970 Bonds, the 1975 Bonds and the 1982A Bonds (collectively, the "Outstanding Bonds") and also constitute a first charge upon the net revenues of the sewage works; and

WHEREAS, the ordinances authorizing the issuance of the Outstanding Bonds require that, unless certain conditions are met, any bonds subsequently issued be junior and subordinate to the Outstanding Bonds in respect to the application of the revenues of said sewage works; and

WHEREAS, the Common Council now finds that the refunding of the Outstanding Bonds is necessary and advisable (i) to restructure the City's debt so that with respect to the junior revenue refunding bonds the City will have no principal payment obligations for a three-year period and (ii) to modify restrictive covenants in the ordinances authorizing the Outstanding Bonds impeding additional financing; and

WHEREAS, the Common Council finds that the financial advisor to the City has advised that the amount necessary for the refunding of the Outstanding Bonds to be financed by the refunding bonds, including estimated incidental expenses, is \$18,096,275.15; and

WHEREAS, the Common Council now finds that all conditions precedent to the adoption of an ordinance authorizing the issuance of said junior revenue refunding bonds have been complied with in accordance with the provisions of the Sewer Act and I.C. 5-1-5 (the "Refunding Act"); now therefore,

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF FORT WAYNE, INDIANA THAT:

Section 1. In addition to the words and terms elsewhere defined in the proceedings, the following words and terms as used in this ordinance (the "Bond Ordinance") and in the Refunding Bonds authorized and defined in Section 3 hereof shall have the following meanings unless otherwise provided therein and unless the context or use indicates another or different meaning or intent:

"Authorized Denominations" means, with respect to the Conversion Amount of the Bond Income Growth Securities and the Maturity Amount of the Capital Appreciation Bonds, the denomination of \$5,000 or any integral multiple thereof.

"Bond Income Growth Securities" means those Refunding Bonds having a stated maturity or maturities as set forth in Section 3 hereof for the Bond Income Growth Securities and termed Bond Income Growth Securities in Section 3 hereof.

"Bond Investors Guaranty" means Bond Investors Guaranty Insurance Company and its successors.

"Capital Appreciation Bonds" means those Refunding Bonds having a stated maturity or maturities as set forth in Section 3 hereof for the Capital Appreciation Bonds and termed Capital Appreciation Bonds in Section 3 hereof.

"Compound Accreted Amount" means, with respect to each date set forth in Section 3 hereof under the headings "Compound Accreted Amounts for Bond Income Growth Securities" and "Compound Accreted Amounts for Capital Appreciation Bonds," for each Bond Income Growth Security and each Capital Appreciation Bond, respectively, the aggregate principal and interest (per \$5,000 Conversion Amount of such Bond Income Growth Security and Maturity Amount of such Capital Appreciation Bond) set forth in said Section.

The Compound Accreted Amount for any Bond Income Growth Security or Capital Appreciation Bond (per \$5,000 Conversion Amount of such Bond Income Growth Security or \$5,000 Maturity Amount of such Capital Appreciation Bond) with respect to any date other than a date stated in Section 3 hereof, and prior to the Conversion Date of such Bond Income Growth Securities or the stated maturity of such Capital Appreciation Bonds, shall be determined conclusively by the Registrar or a certified public accountant selected by the Registrar, interpolating such Compound Accreted Amount, using the straight line method, by reference to the Compound Accreted Amounts for the dates listed on such table which are immediately prior to and immediately subsequent to such date, and based on the assumption that the Compound Accreted Amount increases during any semi-annual period in equal daily amounts on the basis of a year of twelve 30-day months. All references to "interest" on any Refunding Bond or in this Bond Ordinance shall, with respect to the Bond Income Growth Securities or the Capital Appreciation Bonds, unless the context clearly indicates otherwise, refer to the excess of the Compound Accreted Amount over the original principal amount of such Bond Income Growth Security or Capital Appreciation Bond, as of any relevant date.

"Conversion Amount" means the aggregate principal and interest (the Compound Accreted Amount) on a Bond Income Growth Security on the Conversion Date.

"Conversion Date" means February 1, 1997.

"Eligible Investments" means:

1. Direct and general obligations of the United States of America, or obligations which are unconditionally guaranteed as to principal and interest by the United States of America.

Also permitted are evidences of ownership of proportionate interests in future interest and principal payments of the above United States Obligations. Investments in these proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (c) the underlying obligations are held in a special account separate from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

2. Obligations issued or guaranteed by the instrumentalities or agencies of the United States of America described below:

- (a) Federal Home Loan Bank System;
- (b) Export-Import Bank of the United States;
- (c) Federal Financing Bank;
- (d) Government National Mortgage Association;
- (e) Farmers Home Administration;
- (f) Federal Home Loan Mortgage Company;

- (g) Federal Housing Administration;
- (h) Private Export Funding Corp;
- (i) Tennessee Valley Authority.

3. Pre-refunded municipal obligations meeting the following conditions:

(a) the municipal obligations shall not be callable prior to maturity or, alternatively, the trustee has received irrevocable instructions concerning their calling and redemption;

(b) the municipal obligations are secured by cash or Eligible Investments described in No. 1 ("United States Obligations"), which cash or United States Obligations may be applied only to interest, principal, and premium payments of such municipal obligations;

(c) the principal and interest of the United States Obligations (plus any cash in the fund) are sufficient to meet the liabilities of the municipal obligations;

(d) the United States Obligations serving as security for the municipal obligations must be held by an escrow agent or a trustee; and

(e) the United States Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent.

4. Direct and general long-term obligations of any state of the United States on which the full faith and credit of the state is pledged and which are rated in either of the two highest rating categories by Moody's Investors Service ("Moody's") or Standard and Poor's Corporation ("S&P") (if rated at all).

5. Direct and general short term obligations of any state of the United States described in No. 4 above which are rated in the highest rating category by Moody's and S&P (if rated at all).

6. Interest bearing demand or time deposits with or certificates of deposit issued by a national banking association or a state bank or trust company which is a member of the Federal Deposit Insurance Corporation ("FDIC") or a savings and loan association which is a member of the Federal Savings and Loan Insurance Corporation ("FSLIC") which are (a) continuously and fully insured by the FDIC or the FSLIC, or (b) with a bank which has outstanding debt, or which is a subsidiary of a one-bank holding company which has outstanding debt, rated at least P-1 by Moody's or at least A-1 by S&P, or (c) continuously and fully secured by obligations of the type described in Nos. 1 and 2 above which have a market value at all times at least equal to the principal amount of the deposit and which are held by the depository of the funds being invested or its agent or, in the case of bookentry securities, are registered in the name of the depository of the funds being invested as pledgee. The depository of the funds being invested should have a perfected first lien in the United States Obligations serving as collateral, and such collateral must be free from all third party liens.

7. Long term or medium-term corporate debt guaranteed by any corporation which is rated by Moody's and S&P in their two highest rating categories.

8. Repurchase agreements, the maturity of which is less than 30 days, entered into (a) with a bank or trust company organized under the laws of any state of the United States or with a national banking association, insurance company, or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York and which is a member of the Security Investors Protection Corporation or (b) with a dealer which is rated, or the parent holding company of which is rate, investment grade by Moody's or S&P. The repurchase agreement must be continuously and fully secured by obligations of the type described in No. 1 or No. 2 above which have a fair market value, exclusive of accrued interest, at least equal to the amount invested in the repurchase agreement and which are held by the depository of the funds being invested or its agent or, in the case of bookentry securities, are registered in the name of the depository of the funds being invested as pledgee. The depository of the funds being invested should have a perfected first lien in, and retain possession of, the collateral. The obligations serving as collateral must be free from all third party claims.

9. Prime commercial paper of a United States corporation, finance company or banking institution rated "P-1", or "A-1" by Moody's or S&P, respectively.

10. Public housing bonds issued by public agencies. These bonds must be fully secured by a pledge of annual contributions under a contract with the United States government; temporary notes, preliminary loan notes or project notes secured by a requisition or payment agreement with the United States; or state or public agency or municipality obligations rated in the highest rating category by a nationally recognized bond rating agency.

"Escrow Agreement" means the Escrow Agreement, dated as of November 1, 1985, between the City and Summit Bank, as escrow trustee.

"Escrow Fund" means the Escrow Fund established pursuant to the Escrow Agreement and described in Section 10 hereof.

"Escrow Trustee" means Summit Bank, Fort Wayne, Indiana.

"Government Obligations" means (i) direct and general obligations of the United States of America, or those which are unconditionally guaranteed as to principal and interest by the same, and (ii) pre-refunded municipal obligations meeting the following criteria:

- (a) the municipal obligations may not be callable prior to maturity or, alternatively, the trustee has received irrevocable instructions concerning their calling and redemption;
- (b) the municipal obligations are secured by cash or securities described in subparagraph (i) above (the "Defeasance Obligations"), which cash or Defeasance Obligations may be applied only to interest, principal, and premium payments of such municipal obligations;
- (c) the principal and interest of the Defeasance Obligations (plus any cash in the fund) are sufficient to meet the liabilities of the municipal obligations;
- (d) the Defeasance Obligations serving as security for the municipal obligations must be held by an escrow agent or a trustee; and
- (e) the Defeasance Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent;

provided that any investment or deposit described above is not prohibited by applicable Indiana law.

Additionally, evidences of ownership of proportionate interests in future interest and principal payments of Defeasance Obligations are permissible. Investments in these proportionate interest are limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (c) the underlying obligations are held in a special account separate and apart from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Holder" means the person in whose name a Refunding Bond is registered on the Register.

"Interest Payment Dates" means, as to any Bond Income Growth Security, each February 1 or August 1, commencing on August 1, 1997, or, if any such day is not a business day, the immediately preceding business day in the years during which the Bond Income Growth Securities are outstanding under the provisions of this Bond Ordinance.

"Maturity Amount" means the aggregate principal and interest due and payable at the stated maturity of a Capital Appreciation Bond.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy issued by Bond Investors Guaranty simultaneously with the delivery of the Refunding Bonds, insuring the payment of the principal of and interest on all or any of the Refunding Bonds in accordance with the terms thereof.

"Outstanding Bonds" means the Outstanding Bonds as defined in the preambles hereto.

"Paying Agent" means Summit Bank, Fort Wayne, Indiana.

"Refunding Act" means Ind. Code 5-1-5.

"Refunding Bonds" means the \$18,096,275.15 City of Fort Wayne Sewage Works Revenue Refunding Bonds authorized in Section 3 hereof.

"Register" means the books kept and maintained by the Registrar for registration of principal and interest on the Refunding Bonds and for registration of transfer of the Refunding Bonds.

"Registrar" means Summit Bank, Fort Wayne, Indiana.

"Sewage Works Improvement Fund" means the Sewage Works Improvement Fund described in Section 13 hereof.

"Sewage Works Operation and Maintenance Fund" means the Sewage Works Operation and Maintenance Fund created in Section 13 hereof.

"Sewage Works Refunding Expense Fund" means the Sewage Works Refunding Expense Fund created in Section 11 hereof.

"Sewage Works Reserve Account" means the Sewage Works Reserve Account created in Section 11 hereof.

"Sewage Works Reserve Requirement" means one year's maximum principal and interest on all Refunding Bonds and any bonds on a parity with the Refunding Bonds; provided, however, that (a) prior to February 1, 1989 the Sewage Works Reserve Requirement with respect to the Refunding Bonds may be equal to the balance in the Sewage Works Reserve Account on the date of issuance of the Refunding Bonds plus interest accrued thereon from the date of issuance and (b) principal and interest requirements for the final maturity year of any series of bonds, including the Refunding Bonds, shall be computed by subtracting from total principal and interest requirements for that series of bonds in that year the balance in the Sewage Works Reserve Account allocable to that series.

"Sewage Works Sinking Fund" means the Sewage Works Sinking Fund described in Section 11 hereof, including therein the Sewage Works Reserve Account.

"Sewer Act" means Ind. Code 36-9-23.

Section 2. The City shall proceed with the refunding of the Outstanding Bonds and the cost of refunding the Outstanding Bonds, including the cost of issuance, shall not exceed the sum of \$18,096,275.15 without further authorization from this Common Council. The terms "sewage treatment works," "works," and other like terms where used in this Bond Ordinance shall be construed to mean and include all structures and property of the City's sewer utility, including items defined at I.C. 36-9-1-8. The bonds herein authorized shall be issued pursuant to and in accordance with the provisions of the Sewer Act and the Refunding Act, and all acts supplemental thereto, relating to the issuance of junior revenue refunding bonds.

Section 3. The City shall issue its sewage works junior revenue refunding bonds in an original principal amount, with respect to Bond Income Growth Securities of \$3,995,706.70 and with respect to Capital Appreciation Bonds of \$14,100,568.45 together aggregating \$18,096,275.15 (the "Refunding Bonds"), for the purpose of procuring funds to apply to the refunding of the Outstanding Bonds, including the cost of issuance.

(a) Form and Numbering. The Refunding Bonds shall be issued only in fully registered form substantially as set forth herein, shall be exchangeable for fully registered Refunding Bonds of authorized denominations in the manner and on the terms provided herein, and shall be numbered as determined by the Registrar, as hereinafter defined.

(b) Denomination and Dates. The Bond Income Growth Securities shall be issued in Authorized Denominations and shall be dated as of the date of issuance if authenticated prior to the Conversion Date, and otherwise shall be dated as of the Interest Payment Date next preceding the date of their authentication except that if authenticated on an Interest Payment Date they shall be dated as of such date of authentication; provided that if at the time of authentication interest thereon is in default, they shall be dated as of the date to which interest has been paid.

The Capital Appreciation Bonds shall be issued in Authorized Denominations and shall be dated the date of issuance thereof.

(c) Maturities and Interest Rates. Interest on the Bond Income Growth Securities accruing after the Conversion Date shall be payable on each Interest Payment Date commencing on August 1, 1997 at the rate of nine and six hundred twenty-five one-thousandths (9.625%) per annum, and principal of the Bond Income Growth Securities and interest thereon from the date of issuance of the Bond Income Growth Securities to the Conversion Date shall be payable at maturity (or upon redemption prior to maturity) on August 1, 2005.

The interest rate with respect to the Bond Income Growth Securities is subject to rounding to correspond to the Compound Accreted Amounts as set forth in the table of Compound Accreted Amounts provided herein. The total interest on each Bond Income Growth Security shall be an amount equal to, as of any February 1 or August 1, the amount by which the Compound Accreted Amount for such Bond Income Growth Security exceeds the original principal amount of such Bond Income Growth Security on the date of its initial issuance and delivery.

The Compound Accreted Amounts for Bond Income Growth Securities are as follows:

Compound Accreted Amounts for Bond Income Growth Securities

Due: August 1, 2005

<u>Date</u>	<u>Amount per \$5,000</u>
Date of Issuance	1757.90
February 1, 1986	1777.80
August 1, 1986	1863.35
February 1, 1987	1953.03
August 1, 1987	2047.02
February 1, 1988	2145.53
August 1, 1988	2248.78
February 1, 1989	2357.01
August 1, 1989	2470.44
February 1, 1990	2589.33
August 1, 1990	2713.94
February 1, 1991	2844.55
August 1, 1991	2981.44
February 1, 1992	3124.92
August 1, 1992	3275.31
February 1, 1993	3432.93
August 1, 1993	3598.14
February 1, 1994	3771.30
August 1, 1994	3952.80
February 1, 1995	4143.03
August 1, 1995	4342.41
February 1, 1996	4551.39
August 1, 1996	4770.42
February 1, 1997	5000.00
August 1, 1997	5000.00
February 1, 1998	5000.00
August 1, 1998	5000.00
February 1, 1999	5000.00
August 1, 1999	5000.00
February 1, 2000	5000.00
August 1, 2000	5000.00
February 1, 2001	5000.00
August 1, 2001	5000.00
February 1, 2002	5000.00
August 1, 2002	5000.00
February 1, 2003	5000.00
August 1, 2003	5000.00
February 1, 2004	5000.00
August 1, 2004	5000.00
February 1, 2005	5000.00
August 1, 2005	5000.00

The Capital Appreciation Bonds shall mature on February 1 and August 1 in the years and in the Maturity Amounts indicated below, and shall bear interest payable at maturity or upon redemption prior to maturity at the approximate rate or rates indicated below:

Capital Appreciation Bonds

<u>Principal Payment Dates (August 1)</u>	<u>Original Principal Amounts</u>	<u>Maturity Amounts</u>	<u>Interest Rate</u>
February 1, 1989	1,017,318.40	\$1,280,000	7.50%
August 1, 1989	980,556.80	1,280,000	7.50%
February 1, 1990	937,638.40	1,280,000	7.70%
August 1, 1990	902,873.60	1,280,000	7.70%
February 1, 1991	860,876.80	1,280,000	7.90%
August 1, 1991	828,172.80	1,280,000	7.90%
February 1, 1992	787,379.20	1,280,000	8.10%
August 1, 1992	756,723.20	1,280,000	8.10%
February 1, 1993	719,846.40	1,280,000	8.25%
August 1, 1993	691,328.00	1,280,000	8.25%
February 1, 1994	656,230.40	1,280,000	8.40%
August 1, 1994	629,772.80	1,280,000	8.40%
February 1, 1995	593,907.20	1,280,000	8.60%
August 1, 1995	569,420.80	1,280,000	8.60%
February 1, 1996	540,672.00	1,280,000	8.70%
August 1, 1996	516,120.00	1,275,000	8.70%
February 1, 1997	489,357.75	1,275,000	8.80%
August 1, 1997	268,369.90	730,000	8.80%
February 1, 1998	254,098.40	730,000	8.90%
August 1, 1998	243,272.50	730,000	8.90%
February 1, 1999	230,001.10	730,000	9.00%
August 1, 1999	220,095.00	730,000	9.00%
February 1, 2000	207,787.20	730,000	9.10%
August 1, 2000	198,749.80	730,000	9.10%

The interest rate with respect to the Capital Appreciation Bonds is subject to rounding to correspond to the Compound Accreted Amounts as set forth in the table of Compound Accreted Amounts provided herein. The total interest on each Capital Appreciation Bond shall be an amount equal to, as of any February 1 or August 1, the amount by which the Compound Accreted Amount for such Capital Appreciation Bond exceeds the original principal amount of such Capital Appreciation Bond on the date of its initial issuance and delivery.

The Compound Accreted Amounts for Capital Appreciation Bonds are as follows:

Compound Accreted Amounts for Capital Appreciation Bonds

Due: February 1, 1989

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	4009.05
August 1, 1986	4159.39
February 1, 1987	4315.37
August 1, 1987	4477.19
February 1, 1988	4645.09
August 1, 1988	4819.28
February 1, 1989	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 1989

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	3864.14
August 1, 1986	4009.05
February 1, 1987	4159.39
August 1, 1987	4315.37
February 1, 1988	4477.19
August 1, 1988	4645.09
February 1, 1989	4819.28
August 1, 1989	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: February 1, 1990

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	3695.88
August 1, 1986	3838.17
February 1, 1987	3985.94
August 1, 1987	4139.40
February 1, 1988	4298.77
August 1, 1988	4464.27
February 1, 1989	4636.14
August 1, 1989	4814.64
February 1, 1990	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 1990

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	3558.86
August 1, 1986	3695.88
February 1, 1987	3838.17
August 1, 1987	3985.94
February 1, 1988	4139.40
August 1, 1988	4298.77
February 1, 1989	4464.27
August 1, 1989	4636.14
February 1, 1990	4814.64
August 1, 1990	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: February 1, 1991

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	3394.10
August 1, 1986	3528.17
February 1, 1987	3667.53
August 1, 1987	3812.40
February 1, 1988	3962.99
August 1, 1988	4119.53
February 1, 1989	4282.25
August 1, 1989	4451.40
February 1, 1990	4627.23
August 1, 1990	4810.00
February 1, 1991	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 1991

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	3265.13
August 1, 1986	3394.10
February 1, 1987	3528.17
August 1, 1987	3667.53
February 1, 1988	3812.40
August 1, 1988	3962.99
February 1, 1989	4119.53
August 1, 1989	4282.25
February 1, 1990	4451.40
August 1, 1990	4627.23
February 1, 1991	4810.00
August 1, 1991	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: February 1, 1992

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	3105.02
August 1, 1986	3230.78
February 1, 1987	3361.62
August 1, 1987	3497.77
February 1, 1988	3639.43
August 1, 1988	3786.83
February 1, 1989	3940.19
August 1, 1989	4099.77
February 1, 1990	4265.81
August 1, 1990	4438.58
February 1, 1991	4618.34
August 1, 1991	4805.38
February 1 1992	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 1992

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	2984.17
August 1, 1986	3105.02
February 1, 1987	3230.78
August 1, 1987	3361.62
February 1, 1988	3497.77
August 1, 1988	3639.43
February 1, 1989	3786.83
August 1, 1989	3940.19
February 1, 1990	4099.77
August 1, 1990	4265.81
February 1, 1991	4438.58
August 1, 1991	4618.34
February 1, 1992	4805.38
August 1, 1992	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: February 1, 1993

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	2839.22
August 1, 1986	2956.34
February 1, 1987	3078.29
August 1, 1987	3205.27
February 1, 1988	3337.49
August 1, 1988	3475.16
February 1, 1989	3618.51
August 1, 1989	3767.77
February 1, 1990	3923.20
August 1, 1990	4085.03
February 1, 1991	4253.53
August 1, 1991	4428.99
February 1, 1992	4611.69
August 1, 1992	4801.92
February 1, 1993	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 1993

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	2726.75
August 1, 1986	2839.22
February 1, 1987	2956.34
August 1, 1987	3078.29
February 1, 1988	3205.27
August 1, 1988	3337.49
February 1, 1989	3475.16
August 1, 1989	3618.51
February 1, 1990	3767.77
August 1, 1990	3923.20
February 1, 1991	4085.03
August 1, 1991	4253.53
February 1, 1992	4428.99
August 1, 1992	4611.69
February 1, 1993	4801.92
August 1, 1993	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: February 1, 1994

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	2588.73
August 1, 1986	2697.46
February 1, 1987	2810.75
August 1, 1987	2928.80
February 1, 1988	3051.81
August 1, 1988	3179.99
February 1, 1989	3313.54
August 1, 1989	3452.71
February 1, 1990	3597.73
August 1, 1990	3748.83
February 1, 1991	3906.28
August 1, 1991	4070.35
February 1, 1992	4241.30
August 1, 1992	4419.44
February 1, 1993	4605.05
August 1, 1993	4798.46
February 1, 1994	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 1994

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	2484.38
August 1, 1986	2588.73
February 1, 1987	2697.46
August 1, 1987	2810.75
February 1, 1988	2928.80
August 1, 1988	3051.81
February 1, 1989	3179.99
August 1, 1989	3313.54
February 1, 1990	3452.71
August 1, 1990	3597.73
February 1, 1991	3748.83
August 1, 1991	3906.28
February 1, 1992	4070.35
August 1, 1992	4241.30
February 1, 1993	4419.44
August 1, 1993	4605.05
February 1, 1994	4798.46
August 1, 1994	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: February 1, 1995

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	2343.43
August 1, 1986	2444.20
February 1, 1987	2549.30
August 1, 1987	2658.92
February 1, 1988	2773.25
August 1, 1988	2892.50
February 1, 1989	3016.88
August 1, 1989	3146.61
February 1, 1990	3281.91
August 1, 1990	3423.03
February 1, 1991	3570.22
August 1, 1991	3723.74
February 1, 1992	3883.87
August 1, 1992	4050.87
February 1, 1993	4225.06
August 1, 1993	4406.74
February 1, 1994	4596.23
August 1, 1994	4793.86
February 1, 1995	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 1995

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	2246.82
August 1, 1986	2343.43
February 1, 1987	2444.20
August 1, 1987	2549.30
February 1, 1988	2658.92
August 1, 1988	2773.25
February 1, 1989	2892.50
August 1, 1989	3016.88
February 1, 1990	3146.61
August 1, 1990	3281.91
February 1, 1991	3423.03
August 1, 1991	3570.22
February 1, 1992	3723.74
August 1, 1992	3883.87
February 1, 1993	4050.87
August 1, 1993	4225.06
February 1, 1994	4406.74
August 1, 1994	4596.23
February 1, 1995	4793.86
August 1, 1995	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: February 1, 1996

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	2133.64
August 1, 1986	2226.45
February 1, 1987	2323.30
August 1, 1987	2424.37
February 1, 1988	2529.83
August 1, 1988	2639.87
February 1, 1989	2754.71
August 1, 1989	2874.54
February 1, 1990	2999.58
August 1, 1990	3130.06
February 1, 1991	3266.22
August 1, 1991	3408.30
February 1, 1992	3556.56
August 1, 1992	3711.27
February 1, 1993	3872.71
August 1, 1993	4041.18
February 1, 1994	4216.97
August 1, 1994	4400.40
February 1, 1995	4591.82
August 1, 1995	4791.57
February 1, 1996	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 1996

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	2044.69
August 1, 1986	2133.64
February 1, 1987	2226.45
August 1, 1987	2323.30
February 1, 1988	2424.37
August 1, 1988	2529.83
February 1, 1989	2639.87
August 1, 1989	2754.71
February 1, 1990	2874.54
August 1, 1990	2999.58
February 1, 1991	3130.06
August 1, 1991	3266.22
February 1, 1992	3408.30
August 1, 1992	3556.56
February 1, 1993	3711.27
August 1, 1993	3872.71
February 1, 1994	4041.18
August 1, 1994	4216.97
February 1, 1995	4400.40
August 1, 1995	4591.82
February 1, 1996	4791.57
August 1, 1996	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: February 1, 1997

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	1938.92
August 1, 1986	2024.23
February 1, 1987	2113.29
August 1, 1987	2206.28
February 1, 1988	2303.36
August 1, 1988	2404.70
February 1, 1989	2510.51
August 1, 1989	2620.97
February 1, 1990	2736.30
August 1, 1990	2856.69
February 1, 1991	2982.39
August 1, 1991	3113.61
February 1, 1992	3250.61
August 1, 1992	3393.64
February 1, 1993	3542.96
August 1, 1993	3698.85
February 1, 1994	3861.60
August 1, 1994	4031.51
February 1, 1995	4208.89
August 1, 1995	4394.09
February 1, 1996	4587.43
August 1, 1996	4789.27
February 1, 1997	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 1997

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	1857.20
August 1, 1986	1938.92
February 1, 1987	2024.23
August 1, 1987	2113.29
February 1, 1988	2206.28
August 1, 1988	2303.36
February 1, 1989	2404.70
August 1, 1989	2510.51
February 1, 1990	2620.97
August 1, 1990	2736.30
February 1, 1991	2856.69
August 1, 1991	2982.39
February 1, 1992	3113.61
August 1, 1992	3250.61
February 1, 1993	3393.64
August 1, 1993	3542.96
February 1, 1994	3698.85
August 1, 1994	3861.60
February 1, 1995	4031.51
August 1, 1995	4208.89
February 1, 1996	4394.09
August 1, 1996	4587.43
February 1, 1997	4789.27
August 1, 1997	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: February 1, 1998

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	1758.60
August 1, 1986	1836.86
February 1, 1987	1918.60
August 1, 1987	2003.98
February 1, 1988	2093.15
August 1, 1988	2186.30
February 1, 1989	2283.59
August 1, 1989	2385.21
February 1, 1990	2491.35
August 1, 1990	2602.22
February 1, 1991	2718.01
August 1, 1991	2838.97
February 1, 1992	2965.30
August 1, 1992	3097.26
February 1, 1993	3235.08
August 1, 1993	3379.05
February 1, 1994	3529.41
August 1, 1994	3686.47
February 1, 1995	3850.52
August 1, 1995	4021.87
February 1, 1996	4200.84
August 1, 1996	4387.78
February 1, 1997	4583.03
August 1, 1997	4786.98
February 1, 1998	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 1998

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	1683.68
August 1, 1986	1758.60
February 1, 1987	1836.86
August 1, 1987	1918.60
February 1, 1988	2003.98
August 1, 1988	2093.15
February 1, 1989	2186.30
August 1, 1989	2283.59
February 1, 1990	2385.21
August 1, 1990	2491.35
February 1, 1991	2602.22
August 1, 1991	2718.01
February 1, 1992	2838.97
August 1, 1992	2965.30
February 1, 1993	3097.26
August 1, 1993	3235.08
February 1, 1994	3379.05
August 1, 1994	3529.41
February 1, 1995	3686.47
August 1, 1995	3850.52
February 1, 1996	4021.87
August 1, 1996	4200.84
February 1, 1997	4387.78
August 1, 1997	4583.03
February 1, 1998	4786.98
August 1, 1998	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: February 1, 1999

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	1592.01
August 1, 1986	1663.65
February 1, 1987	1738.52
August 1, 1987	1816.75
February 1, 1988	1898.50
August 1, 1988	1983.94
February 1, 1989	2073.21
August 1, 1989	2166.51
February 1, 1990	2264.00
August 1, 1990	2365.88
February 1, 1991	2472.35
August 1, 1991	2583.60
February 1, 1992	2699.86
August 1, 1992	2821.36
February 1, 1993	2948.32
August 1, 1993	3080.99
February 1, 1994	3219.64
August 1, 1994	3364.52
February 1, 1995	3515.93
August 1, 1995	3674.14
February 1, 1996	3839.48
August 1, 1996	4012.26
February 1, 1997	4192.81
August 1, 1997	4381.48
February 1, 1998	4578.65
August 1, 1998	4784.69
February 1, 1999	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 1999

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	1523.46
August 1, 1986	1592.01
February 1, 1987	1663.65
August 1, 1987	1738.52
February 1, 1988	1816.75
August 1, 1988	1898.50
February 1, 1989	1983.94
August 1, 1989	2073.21
February 1, 1990	2166.51
August 1, 1990	2264.00
February 1, 1991	2365.88
August 1, 1991	2472.35
February 1, 1992	2583.60
August 1, 1992	2699.86
February 1, 1993	2821.36
August 1, 1993	2948.32
February 1, 1994	3080.99
August 1, 1994	3219.64
February 1, 1995	3364.52
August 1, 1995	3515.93
February 1, 1996	3674.14
August 1, 1996	3839.48
February 1, 1997	4012.26
August 1, 1997	4192.81
February 1, 1998	4381.48
August 1, 1998	4578.65
February 1, 1999	4784.69
August 1, 1999	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: February 1, 2000

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	1438.46
August 1, 1986	1503.91
February 1, 1987	1572.33
August 1, 1987	1643.88
February 1, 1988	1718.67
August 1, 1988	1796.87
February 1, 1989	1878.63
August 1, 1989	1964.11
February 1, 1990	2053.47
August 1, 1990	2146.91
February 1, 1991	2244.59
August 1, 1991	2346.72
February 1, 1992	2453.50
August 1, 1992	2565.13
February 1, 1993	2681.84
August 1, 1993	2803.87
February 1, 1994	2931.44
August 1, 1994	3064.82
February 1, 1995	3204.27
August 1, 1995	3350.07
February 1, 1996	3502.50
August 1, 1996	3661.86
February 1, 1997	3828.47
August 1, 1997	4002.67
February 1, 1998	4184.79
August 1, 1998	4375.20
February 1, 1999	4574.27
August 1, 1999	4782.40
February 1, 2000	5000.00

Compound Accreted Amounts for Capital Appreciation Bonds

Due: August 1, 2000

<u>Date</u>	<u>Amount per \$5,000</u>
February 1, 1986	1375.86
August 1, 1986	1438.46
February 1, 1987	1503.91
August 1, 1987	1572.33
February 1, 1988	1643.88
August 1, 1988	1718.67
February 1, 1989	1796.87
August 1, 1989	1878.63
February 1, 1990	1964.11
August 1, 1990	2053.47
February 1, 1991	2146.91
August 1, 1991	2244.59
February 1, 1992	2346.72
August 1, 1992	2453.50
February 1, 1993	2565.13
August 1, 1993	2681.84
February 1, 1994	2803.87
August 1, 1994	2931.44
February 1, 1995	3064.82
August 1, 1995	3204.27
February 1, 1996	3350.07
August 1, 1996	3502.50
February 1, 1997	3661.86
August 1, 1997	3828.47
February 1, 1998	4002.67
August 1, 1998	4184.79
February 1, 1999	4375.20
August 1, 1999	4574.27
February 1, 2000	4782.40
August 1, 2000	5000.00

Section 4. Principal of and interest and any premium due on the Refunding Bonds shall be payable in lawful money of the United States of America without deduction for the services of Summit Bank, Fort Wayne, Indiana, as the paying agent (the "Paying Agent"). The principal of and any premium on any Refunding Bond, interest on any Bond Income Growth Security from the date of issuance to the Conversion Date, and interest on any Capital Appreciation Bond, shall be payable when due to the person in whose name a Refunding Bond is registered (the "Holder") on the books (the "Register") kept and maintained by Summit Bank (the "Registrar") for registration and transfer of the Refunding Bonds at the principal offices of the Paying Agent and interest on the Bond Income Growth Securities after the Conversion Date shall be paid on each Interest Payment Date by check or draft which the Paying Agent shall cause to be mailed on that date to the Holder of the Refunding Bond (or one or more Predecessor Bonds, as hereinafter defined) as of the close of business on the 15th day of the calendar month next preceding an Interest Payment Date applicable to that Refunding Bond (the "Regular Record Date") at the Holder's address as it appears on the Register. If and to the extent that the City shall fail to make payment or provision for payment of interest on any Bond Income Growth Securities after the Conversion Date, on any Interest Payment Date, that interest shall cease to be payable to the person who was the Holder of that Refunding Bond (or of one or more Predecessor Bonds) as of the applicable Regular Record Date. In that event, when moneys become available for payment of the interest, (i) the Registrar shall establish a special record date (the "Special Record Date") for the payment of that interest, which Special Record Date shall be not more than 15 nor fewer than 10 days prior to the date of the proposed payment and (ii) the Registrar shall cause notice of the proposed payment and of the Special Record Date to be mailed by first class mail, postage prepaid, to each Holder at its address as it appears on the Register not fewer than 10 days prior to the Special Record Date and, thereafter, the interest shall be payable to the persons who are the Holders of the Bonds (or their respective Predecessor Bonds) at the close of business on the Special Record Date. As used herein, "Predecessor Bond" means, with respect to any particular Refunding Bond, every previous Refunding Bond evidencing all or a portion of the same debt as that evidenced by the particular Refunding Bond. The Refunding Bonds shall mature on August 1 in the years and amounts as set forth in Section 3 hereof.

In the event that Bond Investors Guaranty shall make any payments of principal of, and/or interest on, any of the Refunding Bonds pursuant to the terms of the Municipal Bond Insurance Policy, Bond Investors Guaranty may pay all or a portion of amounts due under the Refunding Bonds to the Holders prior to the stated maturity dates thereof.

This Common Council hereby designates Summit Bank, Fort Wayne, Indiana, as paying agent under this Bond Ordinance for the Refunding Bonds, as registrar for the Refunding Bonds for the purpose of keeping and maintaining the Register for the registration, exchange and transfer of the Refunding Bonds pursuant to this Bond Ordinance and as authenticating agent for the Refunding Bonds. Every successor Registrar appointed pursuant to the provisions of the Bond Registrar Agreement described in Section 20 hereof shall be a trust company or bank in good standing located in or incorporated under the laws of the State of Indiana duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$50,000,000. Bond Investors Guaranty shall be notified immediately upon the resignation or termination of the Registrar and the appointment of a successor Registrar.

Section 5. The Refunding Bonds shall be subject to redemption prior to stated maturity as follows:

Mandatory Sinking Fund Redemption of Bond Income Growth Securities. The Bond Income Growth Securities maturing on August 1, 2005 are subject to mandatory redemption pursuant to mandatory sinking fund requirements, at a redemption price of 100% of the then applicable Compound Accreted Value of such Bond Income Growth Securities, plus accrued interest to the redemption date, on February 1 and August 1, in the estimated principal amounts and on the dates indicated below:

<u>Redemption Date</u>	<u>Compound Accreted Amount</u>
February 1, 2001	735,000
August 1, 2001	765,000
February 1, 2002	805,000
August 1, 2002	840,000
February 1, 2003	880,000
August 1, 2003	925,000
February 1, 2004	970,000
August 1, 2004	1,015,000
February 1, 2005	1,060,000
August 1, 2005	3,370,000

The aggregate of the net revenues of the sewage works specified in Section 13 hereof, which is to be deposited in the Sewage Works Sinking Fund, as hereinafter defined, shall include amounts sufficient to redeem the Compound Accreted Amount of Bond Income Growth Securities set forth opposite each of the dates set forth above (less the amount of any credit as provided below).

The City shall have the option to deliver to the Registrar for cancellation Bond Income Growth Securities in any aggregate Compound Accreted Amount and to receive a credit against the then current mandatory sinking fund requirement (and corresponding mandatory redemption obligation) of the City for the Bond Income Growth Securities. That option shall be exercised by the City on or before the 45th day preceding the applicable mandatory redemption date, by furnishing the Registrar a certificate, executed by an authorized official of the City or any member of this Common Council, as the case may be, setting forth the extent of the credit to be applied with respect to the then current mandatory sinking fund requirement. If the certificate is not timely furnished to the Registrar, the mandatory sinking fund requirement (and corresponding mandatory redemption obligation) shall not be reduced. Unless the City has otherwise directed, a credit against the then current mandatory sinking fund requirement (and corresponding mandatory redemption obligation) also shall be received by the City for any Bond Income Growth Security which prior thereto have been redeemed (other than through the operation of the mandatory sinking fund requirements) or purchased for cancellation and cancelled by the Registrar, to the extent not applied theretofore as a credit against any redemption obligation.

Each Bond Income Growth Security so delivered, or previously redeemed, or purchased and cancelled, shall be credited by the Registrar at 100% of the compound accreted amount thereof against the then current mandatory sinking fund obligation. Any excess of that amount over the then current mandatory sinking fund requirement shall be credited against subsequent sinking fund redemption obligations in the order directed by the City.

The notice of the call for redemption of Refunding Bonds shall identify (i) by designation, letters, numbers or other distinguishing marks, the Refunding Bonds or portions thereof to be redeemed, (ii) the redemption price to be paid, (iii) the date fixed for redemption and (iv) the place or places where the amounts due upon redemption are payable. The notice shall be given by the Registrar on behalf of the City by mailing a copy of the redemption notice by first class mail, postage prepaid, at least 30 days prior to the date fixed for redemption to the Holder of each Refunding Bond subject to redemption in whole or in part at the Holder's address shown on the Register on the 15th day preceding that mailing; provided that no failure to receive notice by mailing, and no defect in that notice, as to any Refunding Bond shall affect the validity of the proceedings for the redemption of any Refunding Bond.

Notice having been mailed in the manner heretofore provided, the Refunding Bonds and portions thereof called for redemption shall become due and payable on the redemption date and, upon presentation and surrender thereof at the place or places specified in that notice, shall be paid at the redemption price, plus accrued interest to the redemption date.

If moneys for the redemption of all of the Refunding Bonds and portions thereof to be redeemed, together with interest thereon to the redemption date, are held by the Paying Agent on the redemption date so as to be available therefor on that date and, if notice of redemption shall have been mailed in the manner heretofore provided, then from and after the redemption date those Refunding Bonds and portions thereof called for redemption shall cease to bear interest and no longer shall be considered to be outstanding hereunder. If those moneys shall not be so available on the redemption date, or that notice shall not have been mailed as aforesaid, those Refunding Bonds and portions thereof shall continue to bear interest, until they are paid, at the same rate as they would have borne had they not been called for redemption.

All moneys deposited with and held by the Paying Agent for the redemption of particular Refunding Bonds shall be held in trust for the account of the Holders thereof and shall be paid to them, respectively, upon presentation and surrender of those Refunding Bonds.

Section 6. The Refunding Bonds shall be signed in the name of the City of Fort Wayne by the manual or facsimile signature of the Mayor, countersigned by the manual or facsimile signature of the City Controller and attested by the manual or facsimile signature of the Clerk, who shall affix the seal of said City to each of the Refunding Bonds manually or shall have the seal imprinted or impressed thereon by facsimile or by any other means. The Refunding Bonds may, where appropriate, bear the manual or facsimile signatures of validly appointed Deputy officials. Subject to provisions for registration, the Refunding Bonds shall have all of the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

The Refunding Bonds, and any bonds ranking on a parity therewith, as to both principal and interest, shall be payable from and secured by an irrevocable pledge of and shall constitute a charge upon all the net revenues (herein defined as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the sewage works of the City, including the works heretofore constructed and all additions and improvements thereto and replacements thereof presently or subsequently constructed or acquired; subject, however, to the prior payment in accordance with the terms thereof, of the principal of and interest on the Outstanding Bonds payable from the revenues of the City's sewage works as hereinbefore set forth, said Outstanding Bonds being a first charge against said net revenues. The City shall not be obligated to pay the Refunding Bonds or the interest thereon except from the net revenues of said works, and the Refunding Bonds shall not constitute an indebtedness of the City within the meaning of the provisions and limitations of the constitution or statutes of the State of Indiana.

Section 7. The form and tenor of the Refunding Bonds shall be substantially as provided in Exhibits A and B hereto, all blanks to be filled in properly prior to delivery thereof.

Section 8. So long as any of the Refunding Bonds remain outstanding, the City will cause books for the registration and transfer of Refunding Bonds, as provided herein, to be maintained and kept at the designated office of the Registrar. Refunding Bonds may be exchanged, at the option of their Holder, for Refunding Bonds of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Refunding Bonds being exchanged. The exchange shall be made upon presentation and surrender of the Refunding Bonds being exchanged at the designated office of the Registrar, together with an assignment duly executed by the Holder or its duly authorized attorney in any form which shall be satisfactory to the Registrar.

Any Refunding Bond may be transferred upon the Register, upon presentation and surrender thereof at the designated office of the Registrar, together with an assignment duly executed by the Holder or its duly authorized

attorney in any form which shall be satisfactory to the Registrar. Upon transfer of any Refunding Bond and on request of the Registrar, the City shall execute in the name of the transferee, and the Registrar shall authenticate and deliver, a new Refunding Bond or Refunding Bonds in the name of the transferee, of any Authorized Denomination or Denominations in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date or dates as, the Refunding Bonds presented and surrendered for transfer.

In all cases in which Refunding Bonds shall be exchanged or transferred hereunder, the City shall execute, and the Registrar shall authenticate and deliver, Refunding Bonds in accordance with the provisions hereof. The exchange or transfer shall be made without charge to the Holder; provided that the City and the Registrar may make a charge for every exchange or transfer of Refunding Bonds which is sufficient in amount to reimburse them for any tax or excise required to be paid with respect to the exchange or transfer. Those charges shall be paid before a new Refunding Bond is delivered.

All Refunding Bonds issued upon any transfer or exchange of Refunding Bonds shall be the valid special obligations of the City, evidencing the same debt, and entitled to the same benefits hereunder, as the Refunding Bonds surrendered upon transfer or exchange. Neither the City nor the Registrar shall be required to make any exchange or transfer of a Refunding Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Refunding Bonds and ending at the close of business on the day of the mailing or to transfer or exchange any Refunding Bonds selected for redemption, in whole or in part.

In case any Refunding Bond is redeemed in part only, on or after the redemption date and upon presentation and surrender of the Refunding Bond, the City shall cause execution of, and the Registrar shall authenticate and deliver, a new Refunding Bond or Refunding Bonds in Authorized Denominations in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date or dates as, the Refunding Bond redeemed in part.

If any Refunding Bond is mutilated, lost, wrongfully taken or destroyed, in the absence of written notice to the City or the Registrar that a lost, wrongfully taken or destroyed Refunding Bond has been acquired by a bona fide purchaser, the City shall execute, and the Registrar shall authenticate and deliver, a new Refunding Bond of like date, maturity and denomination as the Refunding Bond mutilated, lost, wrongfully taken or destroyed; provided that (i) in the case of any mutilated Refunding Bond, the mutilated Refunding Bond first shall be surrendered to the Registrar and (ii) in the case of any lost, wrongfully taken or destroyed Refunding Bond, there first shall be furnished to the City and the Registrar evidence of the loss, wrongful taking or destruction satisfactory to the City and the Registrar, together with indemnity satisfactory to them.

If any lost, wrongfully taken or destroyed Refunding Bond shall have matured, instead of issuing a new Refunding Bond, the City may direct the Registrar to pay that Refunding Bond without surrender thereof upon the furnishing of satisfactory evidence and indemnity as in the case of issuance of a new Refunding Bond. The City and the Registrar may charge the Holder of a mutilated, lost, wrongfully taken or destroyed Refunding Bond their reasonable fees and expenses in connection with their actions pursuant to this Section.

Every new Refunding Bond issued pursuant to this Section by reason of any Refunding Bond being mutilated, lost, wrongfully taken or destroyed (i) shall constitute, to the extent of the outstanding principal amount of the Refunding Bond lost, mutilated, wrongfully taken or destroyed, an additional contractual obligation of the City, regardless of whether the mutilated, lost, wrongfully taken or destroyed Refunding Bond shall be enforceable at any time by anyone and (ii) shall be entitled to all of the benefits of this Bond Ordinance equally and proportionately with any and all other Refunding Bonds issued and outstanding hereunder; provided that nothing in this paragraph shall limit the authority and right of the City to exercise its rights under the indemnity furnished at the time of issuance of a new Refunding Bond or payment of a Refunding Bond without surrender.

All Refunding Bonds shall be held and owned on the express condition that the foregoing provisions of this Section are exclusive with respect to the replacement or payment of mutilated, lost, wrongfully taken or destroyed Refunding Bonds and, to the extent permitted by law, shall preclude any and all other rights and remedies with respect to the replacement or payment of negotiable instruments or other investment securities without their surrender, notwithstanding any law or statute to the contrary now existing or enacted hereafter.

Any Refunding Bond surrendered pursuant to this Section for the purpose of payment or retirement, or for exchange, replacement or transfer, shall be cancelled upon presentation and surrender thereof to the Registrar or any Paying Agent. Any Refunding Bond cancelled by the Paying Agent shall be transmitted promptly to the Registrar by the Paying Agent.

The City may deliver at any time to the Registrar for cancellation any Refunding Bonds previously authenticated and delivered hereunder, which the City may have acquired in any manner whatsoever. All Refunding Bonds so delivered shall be cancelled promptly by the Registrar. Certification of the surrender and cancellation shall be made to the City by the Registrar at least twice each calendar year.

Unless otherwise directed by the City, cancelled Refunding Bonds shall be promptly destroyed by the Registrar by shredding or incineration after their cancellation. Evidence of any destruction of cancelled Refunding Bonds shall be provided by the Registrar to the City upon written request.

So long as the Municipal Bond Insurance Policy shall be in full force and effect, the City and the Registrar hereby agree to comply with the following provisions:

(a) if, on the third business day prior to an Interest Payment Date the Registrar, after consulting with the Paying Agent, determines that there will be insufficient funds in the funds and accounts available to pay the principal of or interest on the Refunding Bonds on such Interest Payment Date, the Registrar shall so notify Bond Investors Guaranty. Such notice shall specify the amount of the anticipated deficiency, the Refunding Bonds to which such deficiency will be applicable and whether payment due on such Refunding Bonds will be deficient as to either principal or interest, or both;

(b) the Registrar shall, after giving notice to Bond Investors Guaranty as provided in (a) above, make available to Bond Investors Guaranty and Bankers Trust Company as insurance trustee for Bond Investors Guaranty (the "Insurance Trustee"), the registration books of the City maintained by the Registrar, and all records relating to the funds and accounts established under this Bond Ordinance;

(c) the Registrar shall provide Bond Investors Guaranty and the Insurance Trustee with a list of registered owners of Refunding Bonds entitled to receive principal or interest payments from Bond Investors Guaranty under the terms of the Municipal Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Refunding Bonds entitled to receive full or partial interest payments from Bond Investors Guaranty, and (ii) to pay principal due on the Refunding Bonds once such Refunding Bonds are surrendered to the Insurance Trustee by the registered owners of Refunding Bonds entitled to receive full or partial principal payments from Bond Investors Guaranty;

(d) the Registrar shall, at the time it provides notice to Bond Investors Guaranty pursuant to (a) above, notify registered owners of Refunding Bonds entitled to receive principal or interest payments from Bond Investors Guaranty (i) as to the fact of such entitlement, (ii) that Bond Investors Guaranty will remit all or a portion of the interest payments next coming due, (iii) that if entitled to receive full payment of principal from Bond Investors Guaranty such registered owners must tender their Refunding Bonds (along with a form of transfer of title thereto) for payment to the Insurance Trustee and not to the Paying Agent, and (iv) that if entitled to receive partial payment of principal from Bond Investors Guaranty such registered owners must tender their Refunding Bonds for payment thereof first to the Registrar, who shall note on such Refunding Bonds the portion of the principal paid by the Paying Agent, and thereafter, along with a form of transfer of title thereto, to Bond Investors Guaranty, which will then pay the unpaid portion of principal; and

(e) Bond Investors Guaranty shall, to the extent it makes payment of principal of or interest on the Refunding Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms and conditions of the Municipal Bond Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Registrar shall note Bond Investors Guaranty's rights as subrogee on the registration books of the City maintained by the Registrar upon receipt of proof from Bond Investors Guaranty as to payment of interest thereon to the registered owners of the Refunding Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Registrar shall note Bond Investors Guaranty's rights as subrogee on the registration books of the City maintained by the Registrar upon surrender by the registered owners of the Refunding Bonds, together with proof of the payment of principal thereof, to Bond Investors Guaranty.

In the event any Refunding Bond shall not be presented for payment when the principal of or premium or interest (with respect to Capital Appreciation Bonds and Bond Income Growth Securities) thereon becomes due in whole or in part, either at stated maturity, at the date fixed for redemption thereof or otherwise, or in the event any check or draft for interest (with respect to any Bond Income Growth Security) on any Refunding Bond is uncashed, if moneys sufficient to pay the principal or interest then due of that Refunding Bond or such check or draft shall have been made available to the Registrar for the benefit of its Holder, then all liability of the City to that Holder for payment of the principal or interest then due of the Refunding Bond or of the interest represented by such check or draft shall cease and be completely discharged. Thereupon, it shall be the duty of the Registrar to hold those moneys, without liability for interest thereon, in a separate account for the exclusive benefit of the Holder of that Refunding Bond, who shall thereafter be restricted exclusively to those moneys for any claim of whatever nature on its part under this Bond Ordinance on, or with respect to, the principal or interest then due of that Refunding Bond or the interest represented by such check or draft.

Any of those moneys which shall be so held by the Registrar, and which remain unclaimed by the Holder of the Refunding Bond not presented for payment or a check or draft not cashed for a period of six years after that due date thereof, shall upon request in writing by the City be paid to the City free of any trust or lien. Thereafter, the Holder of that Refunding Bond shall look only to the City for payment and then only to the amounts so received by the City without any interest thereon, and the Registrar shall have no responsibility with respect to those moneys.

Section 9. The City Controller is hereby authorized and directed to have the Refunding Bonds prepared, and the Mayor, Clerk and City Controller are hereby authorized and directed to execute the Refunding Bonds, in the form and manner herein provided. The City Controller or the Clerk is hereby authorized and directed to deliver the Refunding Bonds to the purchaser thereof after sale made in accordance with the provisions of this Bond Ordinance, provided that at the time of said delivery the City Controller or the Clerk shall collect the full amount which the purchaser has agreed to pay therefor, which shall be \$17,118,895.33 (the "Purchase Price"). The Refunding Bonds herein authorized, when fully paid for and delivered to the purchaser, shall be the binding special revenue obligations of the City, payable out of the net revenues of the City's sewage works to be set aside into the Sewage Works Sinking Fund as herein provided, and the proceeds derived from the sale of the Refunding Bonds shall be and are hereby set aside for the refunding of the Outstanding Bonds and the payment of expenses necessarily incurred in connection therewith. The proper officers of the City are hereby directed to draw all proper and necessary warrants, and to do whatever acts and things which may be necessary to carry out the provisions of this Ordinance.

Section 10. The Refunding Bonds are hereby sold and awarded to Cranston Securities Company (the "Original Purchaser") for purchase at the Purchase Price in accordance with the terms of this Bond Ordinance.

The Mayor and the City Controller, and either of them, are directed to make the necessary arrangements on behalf of the City to establish the date, location, procedure and conditions for the delivery of the Refunding Bonds to the Original Purchaser to the extent not provided for herein. Said officers are further directed to take all steps necessary to effect due authentication, delivery and perfection of the security of the Refunding Bonds

under the terms hereof. It is hereby determined that the Purchase Price and the manner of sale and the terms of the Refunding Bonds, as provided in this Bond Ordinance, are consistent with all legal requirements and will carry out the public purposes specified in the Sewer Act and the Refunding Act.

The Outstanding Bonds shall be retired on their stated maturity dates from payments received from cash and/or direct obligations of the United States (collectively, the "Securities") on deposit in the Escrow Fund held by Summit Bank (the "Escrow Trustee") and in accordance with the Escrow Agreement (the "Escrow Agreement"), dated as of November 1, 1985, between the City and the Escrow Trustee. The Escrow Trustee is authorized and directed on behalf of the City to subscribe for such Securities to the extent such Securities are to be those United States Treasury Obligations, State and Local Government Series provided for in 31 C.F.R. Part 344. The Securities are to be certified by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to (i) pay the interest on the Outstanding Bonds which is due and payable on each February 1 and August 1 through and including the final maturity date of the Outstanding Bonds and (ii) to pay on the respective maturity dates of the Outstanding Bonds the respective amounts of principal then due. There is hereby created and established with the Escrow Trustee and ordered maintained in a separate deposit account (except when invested as provided in the Escrow Agreement), the trust fund to be designated "The City of Fort Wayne, Indiana - Sewage Revenue Bond Escrow Fund", which shall hereinafter be referred to as the "Escrow Fund" and which shall be in the custody of the Escrow Trustee and the Securities and any other moneys in the Escrow Fund shall be held in trust for and shall be used solely for the payment of the principal of and interest on the Outstanding Bonds as provided in the Escrow Agreement. The Escrow Fund shall be considered to be a segregated part of the Sewage Works Sinking Fund for the purposes of the ordinances authorizing the Outstanding Bonds and, so long as there are sufficient funds therein to pay the principal of and interest on the Outstanding Bonds as the same become due and payable, the credit provided for in the first paragraph of Section 12 hereof shall be allowed.

Section 11. The accrued interest and premium received at the time of the delivery of the Refunding Bonds, if any, shall be deposited in the Sewage Works Sinking Fund (the "Sewage Works Sinking Fund") heretofore created by Ordinance No. 1939, adopted July 26, 1938 and continued by the ordinances authorizing the issuance of the Outstanding Bonds. The amount which is presently held in the Sewage Works Sinking Fund described in Section 12 hereof as a debt service reserve for the outstanding Bonds (presently estimated to be \$2,250,000) shall be released and shall be deposited, pursuant to the advice of the City's financial advisor that such funding is a necessary expense of refunding the Outstanding Bonds under the Sewer Act and the Refunding Act, in a separate account (the "Sewage Works Reserve Account") in the Sewage Works Sinking Fund, which sum will be held as a debt service reserve therein and credited to the City's obligation thereunder to accumulate net revenues therein as a margin of safety. Said financial advisor has also advised the City that such reserve is reasonably required in order to secure the Municipal Bond Insurance Policy and enhance the marketability of the Refunding Bonds and that, without this reserve, the Refunding Bonds would be unmarketable or the interest rate demanded by investors would affect the economic feasibility of the refunding. To the extent that the amount in the Sewage Works Reserve Account exceeds the Sewage Works Reserve Requirement, such excess may be transferred to the Sewage Works Operation and Maintenance Fund or, if the Sewage Works Operation and Maintenance Fund is funded in accordance with the requirements of Section 13 hereof, to the Sewage Works Improvement Fund. Bond proceeds in an amount equal to that required to purchase the Securities in the amount required by the provisions of Section 10 of this Bond Ordinance, which amount shall be used to refund the Outstanding Bonds, shall be deposited in the Escrow Fund maintained by the Escrow Trustee. The remaining proceeds from the sale of the Refunding Bonds shall be deposited in a bank or banks which are legally designated depositories for the funds of the City, in a special account or accounts to be designated as "City of Fort Wayne, Sewage Works Refunding Expense Fund" (the "Sewage Works Refunding Expense Fund"). All funds deposited to the credit of said Sewage Works Sinking Fund or Sewage Works Refunding Expense Fund shall be deposited, held, secured or invested in Eligible Investments and in accordance with the laws of the State of Indiana relating to the depositing, holding, securing or investing of public funds,

including particularly I.C. 5-13-1, and the acts amendatory thereof and supplemental thereto; provided that any investment of monies in the Sewage Works Sinking Fund (other than the Sewage Works Reserve Account) shall mature on or before the time the monies will be required to pay any debt service; provided, further, that all amounts representing accrued and capitalized interest shall be held by the City, pledged solely to the payment of interest and invested only in Government Obligations. In computing the amount in any fund or account, investments shall be valued at the market value of such obligations, exclusive of accrued interest. With respect to all funds and accounts, valuation shall occur semi-annually and immediately upon a withdrawal from the Sewage Works Reserve Account. If amounts on deposit in the Sewage Works Reserve Account shall, at any time, be less than the applicable requirement set forth in Section 12 hereof, such deficiency shall be made up over a twelve (12) month period. The depository or depositories for said Sewage Works Sinking Fund and Sewage Works Refunding Expense Fund shall be a bank which shall be a member of the Federal Reserve System and of the Federal Deposit Insurance Corporation, or like organizations having similar powers and duties. The funds in said special account or accounts shall be expended only for the purpose of refunding the Outstanding Bonds or for the expenses of issuance of the Refunding Bonds. The cost of obtaining the opinion the Squire, Sanders & Dempsey shall be considered as a part of the cost of the issuance of the Refunding Bonds, and shall be paid out of the proceeds of the Refunding Bonds or out of the revenues of the sewage works.

The Common Council authorizes the insurance of the Refunding Bonds with a municipal bond insurance company, including Bond Investors Guaranty, if the City Controller, acting on the advice of the City's financial consultant, finds such insurance advisable and a necessary expense of refunding the Outstanding Bonds. The cost of obtaining said insurance shall be considered as a part of the cost of the issuance of the Refunding Bonds, and shall be paid out of the proceeds of the Refunding Bonds or out of other funds of the sewage works.

The City covenants that it will not invest the proceeds of the Refunding Bonds, or any moneys treated as proceeds by the Internal Revenue Service, in any manner, make any investment of moneys in the Sewage Works Sinking Fund in any manner, or take or fail to take any other action, which would result in the Refunding Bonds constituting "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or the Treasury Regulations or any Revenue Rulings promulgated thereunder, or as determined by any court of competent jurisdiction. The City Controller of the City or any other officer having responsibility for issuing the Refunding Bonds is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee or consultant of the City, to give an appropriate certificate of the City, for inclusion in the transcript of proceedings, setting forth the reasonable expectations of the City regarding the amount and use of all such proceeds and the facts and estimates on which they are based, all as the date of delivery of and payment for the Refunding Bonds. The City Clerk of the City shall furnish to the Original Purchaser a true transcript, certified by the City Clerk of the City, of all proceedings had with reference to the issuance of the Refunding Bonds along with such other information from the records of the City as is necessary to determine the regularity and validity of the issuance of the Refunding Bonds.

Any balance or balances remaining unexpended in the Sewage Works Refunding Expense Fund after the payment of all issuance expenses for the Refunding Bonds, which are not required to meet unpaid obligations incurred in connection with such issuance, shall be paid into the Sewage Works Sinking Fund and shall be used solely for the purposes of said fund.

Section 12. The special fund designated "Sewage Works Sinking Fund" created by Ordinance No. 1939, adopted on July 26, 1938, and continued for the payment of the Outstanding Bonds, is hereby designated as the special fund for the payment of the interest on and principal of the Refunding Bonds authorized by this Bond Ordinance and the payment of any fiscal agency charges in connection with the payment of the Refunding Bonds and interest thereon. The Sewage Works Sinking Fund shall be continued until all of the bonds issued under said prior ordinances and this Bond Ordinance have been paid. There shall be set aside and paid into the Sewage Works Sinking Fund three business days prior to the first day of each calendar month, as available, or more often if necessary, a sufficient amount of the net revenues of said sewage works for the payment of (a) the interest on all bonds which by their terms

are payable from the revenues of the sewage works, as such interest shall fall due; provided, however, that credit shall be given for interest payable on any Outstanding Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, (b) the necessary fiscal agency charges for paying said bonds and interest, (c) the principal of all bonds which by their terms are payable from the revenues of the sewage works as they fall due; provided, however, that credit shall be given for principal payable on any Outstanding Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, (d) an additional amount as a margin of safety, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten percent (10%) of all other amounts so required to be paid into the Sewage Works Sinking Fund and (e) any amounts necessary to maintain a balance in the Sewage Works Reserve Account equal to the Sewage Works Reserve Requirement. The term "net revenues" as used in this section shall be construed to mean the revenues for any calendar year after deduction only for the reasonable cost of operation, maintenance and repair. The monthly payments into the Sewage Works Sinking Fund shall be in an amount equal to at least one-twelfth (1/12) of the amount required for such payments during the then next succeeding twelve (12) calendar months and shall continue until such time as the Sewage Works Sinking Fund shall contain an amount sufficient to pay all of the bonds then outstanding, together with the interest thereon to the dates of maturity thereof. In addition to said required monthly payments into the Sewage Works Sinking Fund, all of the net revenues of said sewage works not used in making said required sinking fund payments shall be set aside and paid into the Sewage Works Sinking Fund monthly, as available, until there has been accumulated in the Sewage Works Sinking Fund, over and above said required payments but including the funded reserves and investment income thereon, an amount equal to the sum of the principal of and interest on all then outstanding bonds which will be payable during the then next succeeding twelve (12) calendar months. The Sewage Works Sinking Fund shall be maintained at such levels, and additional amounts of net revenues shall be deposited in the Sewage Works Sinking Fund to the extent necessary to maintain such levels.

In no event shall any part of the Sewage Works Sinking Fund be used in purchasing bonds, except to the extent that the amount then in the Sewage Works Sinking Fund (other than the Sewage Works Reserve Account) exceeds the amount required to pay the principal of the bonds payable therefrom which will mature within a period of twelve (12) calendar months next following the date of such purchase, together with all interest on the bonds payable. Any such excess of funds above said required levels may be used in purchasing outstanding bonds at a price less than the applicable price at maturity, if first approved by the Board of Public Works and Safety. Moneys in the Sewage Works Sinking Fund shall not be used for any other purpose whatsoever except as provided in this Bond Ordinance.

If the City shall, for any reason, fail to pay into the Sewage Works Sinking Fund the full amount and at the respective times above stipulated, then an amount equivalent to such deficiency shall be set apart and paid into the Sewage Works Sinking Fund from the first available revenues and the same shall be in addition to the minimum amounts otherwise herein provided to be so set apart and paid.

Withdrawals shall be made from the Sewage Works Sinking Fund and remitted to the places of payment of the interest and principal to meet such payments when due.

The Sewage Works Sinking Fund, as aforesaid, shall be used solely and only and is hereby pledged for the purpose of paying principal of and interest on the bonds which by their terms are payable from said funds. Upon the delivery of said bonds and the receipt of the proceeds, all sums received as accrued interest and premium, if any, shall be placed in the Sewage Works Sinking Fund.

Section 13. In the event that all required payments into the Sewage Works Sinking Fund have been met to date and there has been accumulated as a reserve in said Sewage Works Sinking Fund, including the bond proceeds deposited, over and above said payments, an amount equal to the respective sums required by Section 12, and there has been accumulated an amount in a separate fund (the "Sewage Works Operation and Maintenance Fund") sufficient for operation, repair and maintenance of the work for the then next succeeding twelve (12) calendar months, and for depreciation, then any excess revenues of

the works available may be placed in the Sewage Works Improvement Fund (the "Sewage Works Improvement Fund"). Moneys in the Sewage Works Improvement Fund may be used to pay the costs of improvements, betterments, extensions, enlargements and additions to the works. No revenues of the works shall be deposited in or credited to the Sewage Works Improvement Fund which will interfere with the requirements of the Sewage Works Sinking Fund, the accumulation of the required reserve therein, or with the requirements as to reserving funds for the operation, maintenance and repair of the works and for depreciation. All or any portion of the funds accumulated and reserved for operation, repair and maintenance for the then next succeeding twelve (12) calendar months in the Sewage Works Operation and Maintenance Fund shall be transferred to the Sewage Works Sinking Fund if necessary to prevent a default in the payment of principal of or interest on the bonds payable from the Sewage Works Sinking Fund.

Section 14. All revenues received on account of the sewage works shall be segregated and kept in a special fund separate and apart from all other funds of the City. Out of this fund the proper and reasonable expenses of operation, repair and maintenance of the works shall be paid and the requirements of the Sewage Works Sinking Fund shall be met. The City shall keep proper books of records and accounts, separate from all of its other records and accounts, in which complete and correct entries shall be made and showing (i) all revenues collected from said works and deposited in said fund, (ii) all disbursements made therefrom on account of the operation of the works, and to meet the requirements of the Sewage Works Sinking Fund, (iii) all other financial transactions relating to said works, including the amounts set aside or credited to the Sewage Works Sinking Fund, the Sewage Works Operation and Maintenance Fund and the Sewage Works Improvement Fund, and (iv) the cash balance in each of said funds as of the close of the preceding fiscal year. There shall be prepared and furnished, upon written request, to the Original Purchaser of the Refunding Bonds, and to any Holder of the Refunding Bonds at the time then outstanding, not more than ninety (90) days after the close of each fiscal year, income and expense and balance sheet statements of the works, covering the preceding fiscal year, which annual statements shall be certified by the City Controller, or the person charged with the duty of auditing the books and records relating to said works, or by licensed independent public accountants employed for that purpose. Copies of all such statements and reports shall be kept on file in the office of the City Controller. Any Holder or Holders of the Refunding Bonds then outstanding shall have the right at all reasonable times to inspect the works and all records, accounts and data of the City relating thereto. Such inspections may be made by representatives duly authorized by written instrument.

Section 15. The City covenants and agrees that it will establish and maintain just and equitable rates or charges for the use of and the service rendered by said works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses said sewage works by or through any part of the sewerage system of the City, or that in any way uses or is served by such works; that such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of the works, and for the payment of the sums required to be paid into the Sewage Works Sinking Fund by the Sewer Act, the Refunding Act and this Bond Ordinance; and that such rates or charges shall be sufficient in each year to produce net revenues, as defined in Section 12 of this Bond Ordinance, equal to 1.1 times the greater of the average annual debt service on the Refunding Bonds and all bonds on a parity therewith or the debt service payable during the next succeeding twelve calendar months on the Refunding Bonds and all bonds on a parity therewith. Such rates or charges shall, if necessary, be changed and readjusted from time to time so that the revenues therefrom shall always be sufficient to meet the expenses of operation, repair and maintenance, depreciation and the requirements of the Sewage Works Sinking Fund. The rates or charges so established shall apply to any and all use of such works by and service rendered to the City and all departments thereof, and shall be paid semi-annually by the City or the various departments thereof as the charges accrue.

Section 16. Refunding Bonds shall be deemed to have been paid and discharged and shall no longer be deemed outstanding or entitled to the pledge of the net revenues of the City's sewage works if:

- (1) There shall be held in trust for and irrevocably committed therein, sufficient moneys, or

(2) There shall be held in trust for and irrevocably committed thereto, noncallable direct obligations of the United States of America certified by an independent public accounting firm of national reputation to be of such maturities or redemption dates and interest payment dates and to bear such interest as will be sufficient, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (which are likewise to be held in trust and committed, except as hereinafter provided), together with moneys referred to in clause (1),

for the payment, at the maturity date of those Refunding Bonds, of the principal thereof, together with the interest thereon accrued to the date of maturity, or if default in that payment shall have occurred on that date then to the date of the tender of that payment.

Any moneys held in accordance with the provisions of this Section shall be invested, upon written direction of the City, only in noncallable direct obligations of the United States of America, the maturities or redemption dates of which, at the option of the holder, shall, to the extent necessary to comply with clause (2) above, coincide as nearly as practicable with, but not later than, the time or times at which those moneys will be required for the aforesaid purposes. Any income or interest earned by, or increment to, the investments held under this Section shall, to the extent certified from time to time by an independent public accounting firm of national reputation to be in excess of the amount required to be held by it for the purposes of this Section, be transferred at the time of that determination to the City free of any trust or lien.

In the event that the principal of and/or interest on the Refunding Bonds shall be paid by Bond Investors Guaranty pursuant to the terms of the Municipal Bond Insurance Policy, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the City to the Holders shall continue to exist and Bond Investors Guaranty shall be subrogated to the rights of such Holders.

If the Refunding Bonds shall be deemed paid and discharged pursuant to this Section, then within 15 days after such Refunding Bonds are so deemed paid and discharged the City shall cause a written notice to be given to each Holder as shown on the Register on the date on which such Refunding Bonds are deemed paid and discharged. Such notice shall state that all Refunding Bonds are deemed paid and discharged, set forth a description of the obligations held pursuant to clause (2) of the first paragraph of this Section.

Section 17. The City covenants that it will not issue any more bonds on a parity with the Outstanding Bonds and that it will not issue any variable rate bonds on a parity with the Refunding Bonds. The City reserves the right, however, to authorize and issue additional bonds, payable out of the revenues of its sewage works, ranking on a parity with the Refunding Bonds authorized by this Bond Ordinance, for the purpose of financing the cost of future additions, extensions and improvements to the sewage works, subject to the following conditions:

(a) The interest on and principal of all bonds payable from the revenues of the sewage works shall have been paid to date in accordance with the terms thereof.

(b) As of the date of issuance of such additional bonds, the balance in the Sewage Works Sinking Fund shall equal not less than the Sewage Works Reserve Requirement calculated to include principal and interest requirements on the Refunding Bonds, any then outstanding parity bonds and the additional parity bonds proposed to be issued.

(c) The net revenues of the sewage works in the fiscal year immediately preceding the issuance of any such bonds ranking on a parity with the Refunding Bonds authorized by this Bond Ordinance shall be not less than one hundred twenty percent (120%) of the maximum annual interest and principal requirements of the then outstanding Refunding Bonds, any then outstanding parity bonds and the

additional parity bonds proposed to be issued; or, prior to the issuance of said parity bonds, the sewage rates and charges shall be increased sufficiently so that said increased rates and charges applied to the previous fiscal year's operations would have produced net operating revenues for said year equal to not less than one hundred twenty percent (120%) of the maximum annual interest and principal requirements of the then outstanding Refunding Bonds, any then outstanding parity bonds and the additional parity bonds proposed to be issued; provided, however, that in any year in which the final maturity of a series of bonds occurs, annual interest and principal requirements may be reduced for the purposes of this subsection by the balance in the Sewage Works Reserve Account allocable thereto. For purposes of this subsection, the records of the sewage works shall be analyzed and all showings shall be prepared by a certified public accountant employed by the City for that purpose, who shall certify that he has no pecuniary interest in said additions, extensions or improvements or the financing thereof in any way whatsoever other than to analyze the records of said sewage works and to prepare said showings.

(d) The principal of said additional parity bonds shall be payable on August 1 and the interest on said additional parity bonds shall be payable semi-annually on February 1 and August 1 in the years in which such principal and interest are payable.

(e) Any term bonds issued on a parity with the Refunding Bonds shall have sinking fund amortization such that the principal and interest due on the Refunding Bonds, any then outstanding parity bonds and the additional parity bonds proposed to be issued is substantially level over the term of all such parity bonds.

Section 18. For the purpose of further safeguarding the interests of the Holders of the Refunding Bonds herein authorized, it is specifically provided as follows:

(a) All contracts let or hereafter to be let by the City in connection with the construction of any additions and improvements to the sewage works shall be let after due advertisement as required by the laws of the State of Indiana, and all contractors shall be required to furnish surety bonds in an amount equal to one hundred percent (100%) of the amount of such contracts, to insure the completion of said contracts in accordance with their terms, and such contractors shall also be required to carry such employers liability and public liability insurance as are required under the laws of the State of Indiana in the case of public contracts, and shall be governed in all respects by the laws of the State of Indiana relating to public contracts.

(b) Any additions and improvements shall be constructed under the supervision of the City's engineers. All estimates for work done or material furnished shall first be checked by the engineers and approved by the City.

(c) The City shall at all times maintain its sewage works in good condition and operate the same in an efficient manner and at a reasonable cost.

(d) So long as any of the Refunding Bonds herein authorized are outstanding, the City shall maintain insurance on the insurable parts of said works of a kind and in an amount such as would normally be carried by private companies engaged in a similar type of business. All insurance shall be placed with responsible insurance companies qualified to do business under the laws of the State of Indiana. Insurance proceeds shall be used in

replacing or repairing the property destroyed or damaged; or if not used for that purpose shall be treated and applied as net revenues of the works.

(e) So long as any of the Refunding Bonds are outstanding, the City shall not mortgage, pledge or otherwise encumber such works, or any part thereof, nor shall it sell, lease or otherwise dispose of any portion thereof except replaced equipment which may become worn out or obsolete.

(f) Except as hereinbefore provided in Section 17 hereof, so long as any of the Refunding Bonds herein authorized are outstanding, no additional bonds or other obligations pledging any portion of the revenues of said sewage works shall be authorized, executed, or issued by the City except such as shall be made subordinate and junior in all respects to the Refunding Bonds herein authorized, unless all of the Refunding Bonds herein authorized are retired or defeased pursuant to Section 13 hereof coincidentally with the delivery of such additional bonds or other obligations.

(g) The City shall take all action or proceedings necessary and proper to require connection of all property where liquid and solid waste, sewage, night soil or industrial waste is produced with available sanitary sewers. The City shall, insofar as possible, cause all such sanitary sewers to be connected with said sewage works.

(h) The provisions of this Bond Ordinance shall constitute a contract by and between the City of Fort Wayne and the Holders of the Refunding Bonds herein authorized, and after the issuance of the Refunding Bonds, this Bond Ordinance shall not be repealed or amended in any respect which will adversely affect the rights of the Holders of the Refunding Bonds, nor shall the Common Council adopt any law, ordinance or resolution which in any way adversely affects the rights of such Holders so long as any of the Refunding Bonds or the interest thereon remain unpaid. Nothing in Section 19 hereof shall be construed as violating this provision.

(i) The provisions of this Bond Ordinance shall be construed to create a trust in the proceeds of the sale of the Refunding Bonds authorized for the uses and purposes herein set forth, and the Holders of the Refunding Bonds shall retain a lien on such proceeds until the same are applied in accordance with the provisions of this Bond Ordinance and of the Sewer Act and the Refunding Act. The provisions of this Bond Ordinance shall also be construed to create a trust in the portion of the net revenues herein directed to be set apart and paid into the Sewage Works Sinking Fund for the uses and purposes of said fund as in this Bond Ordinance set forth. The Holders of the Refunding Bonds shall have all of the rights, remedies and privileges set forth in the provisions of the Sewer Act and the Refunding Act hereinbefore referred to, including the right to have a receiver appointed to administer said sewage works, in the event of default in the payment of the principal or interest on any of the Refunding Bonds herein authorized or in the event of default in respect to any of the provisions of this Bond Ordinance or the Sewer Act or the Refunding Act. Bond Investors Guaranty shall, for purposes of exercising any of the rights or powers referred to in this Section 18(i), be treated as the Holders of all the Refunding Bonds so long as Bond Investors Guaranty has not wrongfully failed to pay under the Municipal Bond Insurance Policy and shall have the exclusive right to act pursuant to such rights or powers with respect to the Refunding Bonds.

Section 19. Subject to the terms and conditions contained in this section, and not otherwise, the Holders of not less than sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) in aggregate principal amount of the Refunding Bonds issued pursuant to this Bond Ordinance and then outstanding and Bond Investors Guaranty shall have the right, from time to time, anything contained in this Bond Ordinance to the contrary notwithstanding, to consent to and approve the adoption by the City of such ordinance or ordinances supplemental hereto as shall be deemed necessary or desirable by the City for the purpose of modifying, altering, amending, adding to or rescinding in any particular any of the terms or provisions contained in this ordinance, or in any supplemental ordinance; provided, that with respect to the Bond Income Growth Securities and the Capital Appreciation Bonds, the then current Compound Accreted Amount shall be used as the aggregate principal amount for purposes of this sentence; and provided, however, that nothing contained herein shall permit or be construed as permitting:

(a) An extension of the maturity of the principal of or interest on any Refunding Bond issued pursuant to this Bond Ordinance; or

(b) A reduction in the principal amount of any Refunding Bond or the redemption premium or the rate of interest thereon; or

(c) The creation of a lien upon or a pledge of the revenues of the sewage works ranking prior to the pledge thereof created by this Bond Ordinance; or

(d) A preference or priority of any Refunding Bond or Bonds issued pursuant to this Bond Ordinance over any other Refunding Bond or Bonds issued pursuant to the provisions of this Bond Ordinance; or

(e) A reduction in the aggregate principal amount of the Refunding Bonds required for consent to such supplemental ordinance.

The Holders of not less than sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) in aggregate principal amount of the Refunding Bonds outstanding at the time of adoption of such supplemental ordinance and Bond Investors Guaranty shall have consented to and approved the adoption thereof by written instrument to be maintained on file in the office of the Clerk of the City; provided, that with respect to the Bond Income Growth Securities and the Capital Appreciation Bonds, the then current Compound Accreted Value shall be used as the aggregate principal amount for purposes of this sentence. No Holder of any Refunding Bond issued pursuant to this Bond Ordinance shall have any right to object to the adoption of such supplemental ordinance or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the adoption thereof, or to enjoin or restrain the City or its officers from adopting the same, or from taking any action pursuant to the provisions thereof. Upon the adoption of any supplemental ordinance pursuant to the provisions of this section, this Bond Ordinance shall be, and shall be deemed, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Bond Ordinance of the City and all Holders of Refunding Bonds issued pursuant to the provisions of this Bond Ordinance then outstanding, shall thereafter be determined exercised and enforced in accordance with this Bond Ordinance, subject in all respects to such modifications and amendments. Notwithstanding anything contained in the foregoing provisions of this Bond Ordinance, the rights and obligations of the City and of the Holders of the Refunding Bonds authorized by this Bond Ordinance, and the terms and provisions of the Refunding Bonds and this Bond Ordinance, or any supplemental ordinance, may be modified or altered in any respect with the consent of the City and the consent of the Holders of all the Refunding Bonds issued pursuant to this Bond Ordinance then outstanding.

Section 20. The Mayor and the City Controller of the City are each hereby authorized and directed to complete and execute, on behalf of the City and in their official capacities, the Escrow Agreement, a Bond Registrar Agreement, dated as of November 1, 1985, between the City and the Registrar, and a Bond Purchase Agreement dated as of November 26, 1985, between the City and Cranston Securities, Inc., each substantially in the form presented to the

Common Council but containing such provisions and with such modifications, changes and supplements as are necessary or desirable for the purposes thereof as such officers shall approve.

The Official Statement of the City relating to the original issuance of the Refunding Bonds substantially in the form now on file with the City Controller is hereby approved and the use and distribution of the Preliminary Official Statement is hereby ratified and the Mayor, and the City Controller of the City are each hereby authorized and directed to complete and execute, on behalf of the City and in their official capacities, that Official Statement, with such modifications, changes and supplements as are necessary or desirable for the purposes thereof as those officers shall approve. Those officers are authorized to use and distribute, or to authorize the use and distribution of, the Official Statement and any supplements thereto as so executed in connection with the original issuance of the Refunding Bonds, and are each authorized and directed to advise the Original Purchaser in writing regarding limitations on the use of the Official Statement and any supplements thereto for the purposes of marketing or reoffering the Refunding Bonds as the officer acting deems necessary or appropriate to protect the interest of the City. The Mayor and the City Controller are each authorized to execute and deliver, on behalf of the City and in their official capacities, such certificates in connection with the accuracy of the Official Statement and any supplements thereto as may, in their judgment, be necessary or appropriate.

Section 21. The City and the Registrar shall notify Bond Investors Guaranty within five (5) days after each of them has received notice or has knowledge of (i) an event of default under this Bond Ordinance; (ii) the withdrawal of amounts on deposit in the Sewage Works Reserve Account; or (iii) the failure to make any required deposit to the Sewage Works Sinking Fund to pay principal or interest when due.

Any notice that is requested to be given to Holders or the Registrar pursuant to this Bond Ordinance or any supplemental ordinance shall also be provided to Bond Investors Guaranty. All notices required to be given to Bond Investors Guaranty under this Bond Ordinance shall be in writing and shall be sent by registered or certified mail addressed to Bond Investors Guaranty, 70 Pine Street, 53rd Floor, New York, New York 10270, Attention: General Counsel.

Section 22. The estimate of the rates and charges is:

Article VI. User Charges

Sec. 24-30. User Volume Charges.

The water usage schedule upon which charges for services rendered by the Sewer Utility shall be based on water consumption unless otherwise metered or exempted in accordance with the following user classifications and the following charges for services for each such classification:

Service Charge (cents per 100 cu. ft.)

	<u>Class of User</u>		
	<u>Domestic</u>	<u>Manufacturing</u>	
Treatment	20.52	20.52	
Conveyance, Collection, Billing		19.96	13.01
Capital	12.84	10.33	
Pretreatment Administration		<u>-0-</u>	<u>2.50</u>
Total User Charge	53.32	46.36	

Sec. 24-31. User Minimum Charges.

In the event the monthly sewage service charge calculated in accordance with the water consumption schedule in Sec. 24-30 does not exceed the minimum monthly charge for each class of user as set forth thereafter user shall pay

said minimum monthly charge in lieu of the charge calculated based on water usage, as follows:

<u>Water Meter Size</u>	<u>Minimum Monthly Charge</u>
5/8 - 3/4"	\$ 2.66
1 - 1-1/2"	9.40
2"	19.17
3"	38.52
4"	64.04
6" or larger	177.87

Sec. 24-32. User Flat Charges.

In the event any user is not a metered water customer, there shall be imposed flat charge rates as follows:

<u>Classification of Customer</u>	<u>Monthly Flat Charge (1)</u>	
	<u>In-City</u>	<u>Out-City</u>
Domestic User - Single Family Dwelling	\$ 5.33	\$ 6.39
Domestic User - Multi-Family Dwelling	To be estimated by City	
Commercial and Industrial User	To be estimated by City	

(1) Monthly flat charges for multi-family dwellings shall be based on the number of family unit accommodated by the system multiplied by the single family dwelling monthly charges. Monthly flat charges for Commercial and Industrial establishments may be based either on number of employees; the manufacturing processes used; other pertinent sewer use indicators; or the outfall measurements where such data is available.

The Utility shall retain documentation supporting its estimates and the billings based thereon. Such determination of billings may be reviewed and adjusted by the Utility at any time. However, no adjustment, additional charge, or refund may be made more than six (6) years after the due date of the billing sought to be adjusted.

Sec. 24-33. Contract Customers - Unit and Other Charges.

In the event the City consummates a contract to serve a Regional Treatment Plant for any other municipality or private sewage utility, either contiguous to the City or in its environs, said contract shall provide for the following unit charges:

-1	<u>Volume Charge (cents per 100 cu. ft.)</u>
Treatment	20.52
Capital Charge	<u>12.88</u>
	33.40

-2 Variable Charge (cents per 100 cu. ft.)

A variable charge for conveyance and collection costs attributable to the portion of the conveyance system and operating costs associated therewith used by the contract customer shall be computed by the City and added to the volume charge.

-3 Flat Charge

In addition to the foregoing charges based on volume of sewage treated and conveyed each contract customer will pay a monthly billing charge of 0.60 and a monthly surveillance charge of ninety dollars (\$90.00).

-4 Excess Strength-of-Wastes Surcharge

In the event a contract customer contributes waste having a strength in excess of domestic waste characteristics, as herein before defined, a surcharge based on the following unit process charge will be in effect for all waste found to be in excess of limitations:

	<u>Cents Per Pound</u>
Suspended Solids - (SS)	4.304
Biochemical Oxygen Demand (BOD)	4.300
Phosphorus - (P)	41.193
Ammonia - (NH ³)	

-5 Capital Surcharge

In the event contract customer delivers sewage for treatment to City for a period of 90 consecutive days which is in excess of base MGD contracted for, then customer will be subject to an additional capital charge computed at the capital charge (per 100 cu. ft.) then in effect times the excess percentage of MGD represented by dividing actual MGD by contracted MGD.

-6 Other Provisions

In the event sewage received pursuant to any contract entered into under this section exceeds any of the limitations imposed by this Chapter, the City shall have the right impose all charges, limitations and penalties applicable to any non-contract user by the City. Each contract entered into by the City pursuant to the foregoing rate classification shall provide that the contract customer shall agree to enact and maintain a Sewer Use Ordinance and User Charge System acceptable to the City and in conformance with the City's obligations under Sec. 204(b)(1). Public Law 95-217 as amended and supplemented and guidelines and regulations promulgated thereunder by the U.S. Environmental Protection Agency and 40 CFR 35-905-8, 35-928-1 and 35-928-2, and 35-935-13.

Sec. 24-34. Bulk Waste Charges.

- Industrial - For all Industrial waste suitable for disposal directly through the plant digesters which has been delivered by the Customer to City's Plant - \$178.50 per load. For purposes of computing charges hereunder, a load is defined as 5000 gallons of tank capacity or fraction thereof.
- Domestic - For all Domestic waste delivered to plant by Customer's truck or tank - \$26.10 per load. For purposes of computing charges hereunder, a load is defined as 1000 gallons of tank capacity or fraction thereof.

Sec. 24-35. Annual Review of Service Charges.

Prior to May 1st of each year, the General Auditor of the City Utilities and an Independent Certified Public Accountant employed for that purpose shall submit to the Board of Public Works a comparison of the calculated unit cost for flow, removal of BOD, suspended solids, phosphorus and ammonia per year with unit charges currently in effect from which the Board shall determine whether the current service charges and surcharges are adequate or should be changed. The methodology utilized in developing this cost comparison shall include:

1. A system including the distribution of the cost of operation and maintenance of the treatment works of the WPC Utility to each user class in proportion to such user's contribution to the total waste loading of the treatment works. Factors such as strength, volume, and delivery flow characteristics shall be considered and included as the basis for the user's contribution to insure a proportional distribution of operation and maintenance and replacement costs to each user class.

2. Total annual service charges and surcharges collected from each individual user class shall be deemed sufficient if said charges have generated during the prior operating period sufficient revenue to offset the cost of all treatment works operation and maintenance provided by the Utility, including cost of management, system repair, and replacement, debt retirement and other costs incidental to the Utility Operation attributable to such class.

Article VII. Strength-of-Wastes Surcharge

Sec. 24-36. Liability for Surcharge.

Each user discharging wastes into the sewerage system shall be subject to a strength-of-wastes surcharge, in addition to other sewage service charges imposed by this ordinance, based on the following minimum strength characteristics to the extent that such wastes are in concentrations greater than:

- 1 Biochemical Oxygen Demand of 300 milligrams per liter.
- 2 Chemical Oxygen Demand of 600 milligrams per liter.
- 3 Suspended solids content of 300 milligrams per liter.
- 4 Phosphorus content of 10 milligrams per liter.
- 5 Ammonia content of 15 milligrams per liter.

Sec. 24-37. Computation of Surcharge.

The surcharge shall be determined as follows:

The excess pounds of BOD or COD (whichever results in the higher charge) suspended solids, phosphorus, and ammonia will each be computed by first multiplying the User's billing sewage volume measured in units of 100 cubic feet for the current billing period by the factor 0.0062321 and then multiplying this product by the difference between (a) the concentrations measured in milligrams per liter of the BOD or COD, suspended solids, phosphorus, and ammonia respectively in the User's sewage and (b) the allowed concentrations set out in Section 24-36. The surcharge for each constituent will then be determined by multiplying the excess pounds of each constituent by the appropriate rate of surcharge set out in Section 24-33-4. In the event COD measurement is used, as hereinbefore provided, fifty percent (50%) of the excess pounds measured will be used to compute the equivalent BOD charge.

Sec. 24-38. Waste Evaluation Charges.

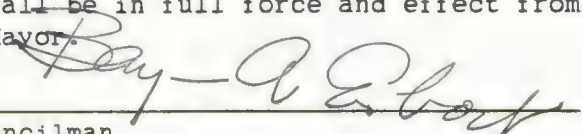
All users discharging wastes into the system requiring continuing surveillance sampling and waste evaluation shall be subject to a monthly fixed charge to cover the costs of such services in the amount of ninety dollars (\$90.00) per discharge point.

Sec. 24-39. Revision of Rates of Surcharge.

Prior to May 1st, of each year, the General Auditor of the City Utilities and an Independent Certified Public Accountant employed for that purpose shall submit to the Board of Public Works a comparison of the calculated unit costs for removing BOD, suspended solids, phosphorus, and ammonia from the Sewage Treatment Plant influent during the previous calendar year with the unit charges currently in effect in order that the Board may determine whether the current rates of surcharge are adequate or should be changed and request legislative enactment of said changes by the Common Council.

Section 23. All ordinances and parts of ordinances in conflict herewith are hereby repealed; provided, however, that this Bond Ordinance shall not be deemed in any way to repeal, amend, alter or modify the ordinances authorizing the issuance of the Outstanding Bonds, nor be construed as adversely affecting the rights of the holders of the aforementioned Outstanding Bonds.

Section 24. This Bond Ordinance shall be in full force and effect from and after its passage and signing by the Mayor.


Councilman

Approved as to form and legality this 26th day of November, 1985.


Bruce O. Boxberger, City Attorney

EXHIBIT A

[FORM OF BOND INCOME GROWTH SECURITY]

[FORM OF FACE OF BOND INCOME GROWTH SECURITY]

UNITED STATES OF AMERICA

State of Indiana

County of Allen

REGISTERED

REGISTERED

No. _____

\$

CITY OF FORT WAYNE
SEWAGE WORKS REVENUE REFUNDING BOND

Maturity Date: _____

Dated as of: _____

CUSIP: _____

Registered Owner: _____ Per \$5,000 Conversion Amount _____ Principal Amount
DOLLARS

The City of Fort Wayne (the "City"), in Allen County, State of Indiana, for value received, hereby promises to pay to the aforesaid Registered Owner, or registered assigns, solely out of the special revenue fund hereinafter referred to, the aforesaid Conversion Amount on the aforesaid Maturity Date, or the applicable Compound Accreted Amount (as reflected in the Schedule of Compound Accreted Amounts set forth herein and herein called the "Compound Accreted Amount") upon redemption or payment hereof prior to February 1, 1997 (the "Conversion Date"), and to pay interest on the Conversion Amount from the Conversion Date to maturity or earlier redemption from that special revenue fund at the rate of 9.625% per annum, payable on the first days of February and August in each year commencing August 1, 1997 or, if any such day is not a business day, on the immediately preceding business day (the "Interest Payment Dates"), until the aforesaid Conversion Amount is paid or duly provided for. This Refunding Bond is issued as a Bond Income Growth Security (as defined in the Bond Ordinance, hereinafter defined, and herein called a "Bond Income Growth Security"). The provisions respecting redemption of Bond Income Growth Securities hereinafter set forth apply only to the Bond Income Growth Securities. Any person in whose name this Bond Income Growth Security is registered (the "Holder") should not sell or otherwise dispose of this Bond Income Growth Security without taking appropriate steps to determine the Compound Accreted Amount (as reflected in the Schedule of Compound Accreted Amounts set forth herein and herein called the "Compound Accreted Amount") of this Bond Income Growth Security. This Refunding Bond will bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from its date.

The principal of and any premium on and interest accruing prior to the Conversion Date on this Refunding Bond are payable upon presentation and surrender hereof at the principal office of the Paying Agent, presently Summit Bank, Fort Wayne, Indiana (the "Paying Agent"). Interest is payable on each Interest Payment Date by check or draft mailed to the person in whose name this Refunding Bond (or one or more predecessor bonds) is registered (the "Holder") at the close of business on the 15th business day of the calendar month next preceding that Interest Payment Date (the "Regular Record Date") on the registration books for this issue maintained by Summit Bank, as Registrar (the "Registrar"), at the address appearing therein. Any interest accruing on or after the Conversion Date which is not timely paid or duly provided for shall cease to be payable to the Holder hereof (or of one or more predecessor bonds) as of the Regular Record Date, and shall be payable to the Holder

hereof (or of one or more predecessor bonds) at the close of business on a Special Record Date to be fixed by the Registrar for the payment of that overdue interest. Notice of the Special Record Date shall be mailed to Holders not less than ten days prior thereto. The principal of and interest on and premium, if any, on this Refunding Bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agent.

This Refunding Bond is one of an authorized issue of Sewer Works Revenue Refunding Bonds (the "Refunding Bonds") of the City of Fort Wayne, of like date, tenor and effect, except as to numbering, interest rates, and dates of maturity, in the total original principal amount of Eighteen Million Ninety-Six Thousand Two Hundred Seventy-Five and Fifteen Hundredths Dollars (\$18,096,275.15), issued for the purpose of providing funds to be applied to the refunding of the City's Sewage Works Improvement Revenue Bonds, dated November 1, 1959, now outstanding in the amount of Six Hundred Forty Thousand Dollars (\$640,000), the City's Sewage Works Improvement Revenue Bonds of 1961, dated August 1, 1961, now outstanding in the amount of Nine Hundred Thirty Thousand Dollars (\$930,000), the City's Sewage Works Improvement Revenue Bonds of 1970, dated April 1, 1970, now outstanding in the amount of One Million Eight Hundred Thirty Thousand Dollars (\$1,830,000), the City's Sewage Works Improvement Revenue Bonds of 1975, dated January 1, 1975, now outstanding in the amount of Five Million Two Hundred Eighty-Five Thousand Dollars (\$5,285,000), the City's Sewage Works Revenue Bonds of 1982, dated July 1, 1982, now outstanding in the amount of Three Million Four Hundred Thousand Dollars (\$3,400,000), and the City's Sewer Connection Revenue Bonds of 1982, dated July 1, 1982, now outstanding in the amount of Three Million Nine Hundred Forty Thousand Dollars (\$3,940,000) (collectively, the "Outstanding Bonds"), including the cost of issuance, as authorized by an ordinance (the "Bond Ordinance") adopted by the Common Council of the City of Fort Wayne on the 26th day of November, 1985, entitled "An Ordinance concerning the issuance of junior revenue refunding bonds of the City of Fort Wayne, Indiana in an original principal amount of \$3,995,706.70 with respect bond income growth securities and \$14,100,568.45 with respect to capital appreciation bonds, together aggregating an original principal amount of \$18,096,275.15 to provide for the refunding of revenue bonds which were issued to provide for the cost of the construction of additions and improvements to the sewage works of the City of Fort Wayne, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said junior revenue refunding bonds, and other matters connected therewith and for repealing ordinances inconsistent therewith" and in strict compliance with the provisions of I.C. 36-9-23 (the "Sewer Act") and I.C. 5-1-5 (the "Refunding Act").

This Refunding Bond shall not be entitled to any benefit under the Bond Ordinance or become valid or obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Registrar.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS REFUNDING BOND SET FORTH ON THE REVERSE SIDE. THOSE PROVISIONS SHALL HAVE THE SAME EFFECT FOR ALL PURPOSES AS IF SET FORTH HERE.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this Refunding Bond have been done and performed in regular and due form as provided by law.

Date of This Refunding Bond
Registra- is one of the Re-
tion and funding Bonds de-
Authenti- scribed in the
cation: within-mentioned
_____ Bond Ordinance.

SUMMIT BANK,
Fort Wayne,
Indiana,
Registrar

By: _____
Authorized
Officer

Registrable at:
Summit Bank,
Fort Wayne,
Indiana

Payable by:
Summit Bank,
Fort Wayne,
Indiana

IN WITNESS WHEREOF,
the City of Fort Wayne,
in Allen County, State
of Indiana, has caused
this Refunding Bond to
be executed in its cor-
porate name by the man-
ual or facsimile signa-
ture of the Mayor of
the City, countersigned
by the manual or fac-
simile signature of
the City Controller,
its corporate seal to
be hereunto affixed
manually, or imprinted
or impressed thereon by
facsimile or by any
other means, and at-
tested manually or by
facsimile by its Clerk
as of the _____ day of
December, 1985.

CITY OF FORT WAYNE,
INDIANA

By (facsimile)
Mayor

Attest:

Countersigned:

(facsimile)
Clerk

(facsimile)
City Controller

(FACSIMILE OF SEAL)

[FORM OF REVERSE SIDE OF BOND INCOME GROWTH SECURITY]

Reference is hereby made to the Bond Ordinance for a more complete description of the nature and extent of the security for the Refunding Bonds, the rights, duties and obligations of the Holders, the Registrar, the Paying Agent and the City, and the terms and conditions upon which the Refunding Bonds are issued and secured, to all of the provisions of which Bond Ordinance each Holder, by the acceptance hereof, assents. A copy of the Bond Ordinance is on file in the office of the Clerk of the City.

Pursuant to the provisions of the Sewer Act and the Refunding Act and the Bond Ordinance, the principal and interest of this Refunding Bond and all other Refunding Bonds of said issue, and any bonds ranking on a parity therewith, are payable solely from moneys held in the Sewage Works Sinking Fund heretofore created by Ordinance No. 1939, adopted July 26, 1938 (the "Sewage Works Sinking Fund") and continued by the ordinances authorizing the issuance of the aforementioned Outstanding Bonds to be provided from the net revenues (herein defined as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the sewage works of the City of Fort Wayne, and all additions and improvements thereto and replacements thereof subsequently constructed or acquired; subject, however, to the prior payment from the Sewage Works Sinking Fund of the principal and interest on the Outstanding Bonds, which Outstanding Bonds are of equal priority and are payable annually over a period ending on August 1, 2000. This Refunding Bond shall not constitute an indebtedness of the City of Fort Wayne within the meaning of the provisions and limitations of the constitution or statutes of the State of Indiana, and the City shall not be obligated to pay this Refunding Bond or the interest thereon except from said special fund provided from said net revenues.

Subject to the prior servicing of the Outstanding Bonds, the City of Fort Wayne irrevocably pledges the entire net revenues of said sewage works to the prompt payment of the principal of and interest on the Refunding Bonds authorized by the Bond Ordinance, of which this is one, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works, to provide for proper depreciation, and for the payment of the sums required to be paid into the Sewage Works Sinking Fund under the provisions of the Sewer Act and the Refunding Act and the Bond Ordinance. In the event the City or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this Refunding Bond, the Holder of this Refunding Bond shall have all of the rights and remedies provided for in the Sewer Act and the Refunding Act and the acts amendatory thereof and supplemental thereto, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this Refunding Bond and the interest hereon; provided that Bond Investors Guaranty Insurance Company ("Bond Investors Guaranty") shall, for purposes of exercising any of the rights and remedies referred to in this sentence, be treated as the Holder of this Refunding Bond so long as Bond Investors Guaranty has not failed to pay under the Municipal Bond Insurance Policy hereinafter described and shall have the exclusive right to act pursuant to such rights and remedies with respect to this Refunding Bond.

The City of Fort Wayne further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the net revenues of said works to meet (a) the interest on all Refunding Bonds payable from the revenues of said sewage works, as such interest shall fall due; provided, however, that credit shall be given for interest payable on any Outstanding Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, (b) the necessary fiscal agency charges for paying all Refunding Bonds and interest, (c) the principal of all Refunding Bonds payable from the revenues of said sewage works, as such principal shall fall due; provided, however, that credit shall be given for principal payable on any Outstanding Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, and (d) an additional amount as a margin of safety, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten percent (10%) of all other amounts so required to be paid into the Sewage Works Sinking Fund together with (e) other sums to be held as reserves as provided in the Bond Ordinance. Such required payments shall constitute a charge upon all the net revenues of said works; subject, however, to the prior payment from the Sewage Works Sinking Fund of the principal and interest on the Outstanding Bonds.

If any Bond Income Growth Security shall not be presented for payment of principal or interest on the date fixed therefor, or in the event any check or draft for interest on any Bond Income Growth Security is uncashed, the City may deposit in trust with the Registrar an amount sufficient to pay the principal or interest then due of that Bond Income Growth Security or such check or draft, as the case may be, and thereafter the Holder shall look only to the funds so deposited in trust with the Registrar for payment and the City shall have no further obligation or liability in respect thereto.

Subject to provisions for registration, this Refunding Bond and all other Refunding Bonds of said issue shall have all the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

The Bond Income Growth Securities maturing on August 1, 2005, are subject to mandatory sinking fund redemption at a redemption price of 100% of the then applicable Compound Accreted Amount, plus interest from the Conversion Date to the redemption date, on February 1 and August 1 in each of the years 2001 to 2005, inclusive, in the following aggregate Compound Accreted Amounts on the dates specified:

<u>Redemption Date</u>	<u>Compound Accreted Amounts</u>
February 1, 2001	735,000
August 1, 2001	765,000
February 1, 2002	805,000
August 1, 2002	840,000
February 1, 2003	880,000
August 1, 2003	925,000
February 1, 2004	970,000
August 1, 2004	1,015,000
February 1, 2005	1,060,000
August 1, 2005*	3,370,000

*remaining at maturity

In the event that this Bond Income Growth Security or a portion hereof is called for redemption prior to maturity, the amount due upon such redemption (as hereinbefore indicated, the "Compound Accreted Amount"), as principal of and interest on this Bond Income Growth Security (or portion hereof), shall be,

as of the date of issuance and any February 1 or August 1 thereafter, the amount set forth in the table below:

Compound Accreted Amount (per \$5,000 Conversion Amount) for Bond Income Growth Securities maturing on August 1, 2005:

<u>Date</u>	<u>Compound Accreted Amount</u>
Date of Issuance	1757.90
February 1, 1986	1777.80
August 1, 1986	1863.35
February 1, 1987	1953.03
August 1, 1987	2047.02
February 1, 1988	2145.53
August 1, 1988	2248.78
February 1, 1989	2357.01
August 1, 1989	2470.44
February 1, 1990	2589.33
August 1, 1990	2713.94
February 1, 1991	2844.55
August 1, 1991	2981.44
February 1, 1992	3124.92
August 1, 1992	3275.31
February 1, 1993	3432.93
August 1, 1993	3598.14
February 1, 1994	3771.30
August 1, 1994	3952.80
February 1, 1995	4143.03
August 1, 1995	4342.41
February 1, 1996	4551.39
August 1, 1996	4770.42
February 1, 1997	5000.00
August 1, 1997	5000.00
February 1, 1998	5000.00
August 1, 1998	5000.00
February 1, 1999	5000.00
August 1, 1999	5000.00
February 1, 2000	5000.00
August 1, 2000	5000.00
February 1, 2001	5000.00
August 1, 2001	5000.00
February 1, 2002	5000.00
August 1, 2002	5000.00
February 1, 2003	5000.00
August 1, 2003	5000.00
February 1, 2004	5000.00
August 1, 2004	5000.00
February 1, 2005	5000.00
August 1, 2005	5000.00

The Compound Accreted Amount for any Bond Income Growth Security (per \$5,000 Conversion Amount of such Bond Income Growth Security) with respect to any date other than a date stated in the above table, and prior to the stated maturity of such Bond Income Growth Security, shall be determined conclusively by the Registrar or a certified public accountant selected by the Registrar, by interpolating such Compound Accreted Amount, using the straight line method, by reference to the Compound Accreted Amounts for the dates listed on such table which are immediately prior to and immediately subsequent to such date, and based on the assumption that the Compound Accreted Amount increases during any semi-annual period in equal daily amounts on the basis of a year of twelve 30-day months. All references to "interest" on any Refunding Bond in the Bond Ordinance shall, with respect to the Bond Income Growth Securities, unless the context clearly indicates otherwise, refer to the excess of the Compound Accreted Amount over the original principal amount of such Bond Income Growth Security, as of any relevant date.

If less than all of the outstanding Bond Income Growth Securities are called for redemption at one time, the selection of Bond Income Growth Securities or portions thereof in Conversion Amounts of \$5,000 or any integral multiple thereof to be redeemed shall be made by lot by the Registrar in any manner selected by it. If Refunding Bonds or portions thereof are called for redemption and if on the redemption date moneys for the redemption thereof, together with interest thereon accrued to that date, are held by the Paying Agents and available therefor, then from and after that date the Refunding Bonds or portions thereof called for redemption shall cease to bear interest, and shall cease to be secured by, and shall not be deemed to be outstanding under, the Bond Ordinance authorizing the Refunding Bonds.

To the extent and in the manner permitted by the terms of the Bond Ordinance, any of the terms or provisions contained in the Bond Ordinance, or in any supplemental ordinance, may be modified, altered, amended, added to or rescinded by the adoption by the City of such ordinance or ordinances supplemental to the Bond Ordinance as are deemed necessary or desirable by the City with the consent of the Holders of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the then outstanding Refunding Bonds (as calculated pursuant to the provisions of the Bond Ordinance) and Bond Investors Guaranty. No such action shall result in (i) an extension of the maturity of the principal or interest on any Refunding Bond, (ii) a reduction in the principal amount of any Refunding Bond or the redemption premium or the rate of interest thereon, (iii) the creation of a lien upon or a pledge of the revenues of the sewage works ranking prior to the pledge thereof created by the Bond Ordinance, (iv) a preference or priority of any Refunding Bond or Bonds over any other Refunding Bond or Bonds, or (v) a reduction in the aggregate principal amount of the Refunding Bonds required for consent to a supplemental ordinance.

The Bond Income Growth Securities are issuable only as fully registered bonds in the principal amounts which correspond to Conversion Amounts of \$5,000 or any integral multiple thereof (an "Authorized Denomination"). The Bond Income Growth Securities are exchangeable for Bond Income Growth Securities of other Authorized Denominations in equal aggregate principal amounts at the office of the Registrar but only in the manner and subject to the limitations provided in the Bond Ordinance. This Refunding Bond is transferable at the office of the Registrar, by the Holder in person or by his attorney duly authorized in writing, upon presentation and surrender hereof to the Registrar. The Registrar is not required to transfer or exchange (i) any Refunding Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Refunding Bonds and ending at the close of business on the day of such mailing or (ii) any Refunding Bonds so selected for redemption in whole or in part.

[LEGEND OF BOND INSURANCE]

Bond Investors Guaranty Insurance Company ("Bond Investors Guaranty"), an Illinois stock insurance company, has issued its Municipal Bond Insurance Policy No. _____ with respect to the payments due for principal of and interest on this Refunding Bond to Bankers Trust Company, as the Insurance Trustee under said Policy, in New York, New York. Said Policy is on file and available for inspection at the principal office of said Insurance Trustee and a copy thereof may be secured from Bond Investors Guaranty or said Insurance Trustee.

[LEGAL OPINION]

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____

_____ the within Refunding Bond and irrevocably constitutes and appoints _____ attorney to transfer that Refunding Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Refunding Bond in every particular, without alteration or any change whatever.

The social security number, taxpayer identification number, or other identifying number of the assignee is to be inserted in the box.

EXHIBIT B

[FORM OF CAPITAL APPRECIATION BOND]

[FORM OF FACE OF CAPITAL APPRECIATION BOND]

UNITED STATES OF AMERICA

State of Indiana

County of Allen

REGISTERED

\$

No. _____

Maturity Amount

CITY OF FORT WAYNE
SEWAGE WORKS REVENUE REFUNDING BOND

Maturity Date: _____

Dated as of: _____

CUSIP: _____

Registered Owner: _____ Principal Amount
Per \$5,000 Maturity Amount: _____ DOLLARS

The City of Fort Wayne (the "City"), in Allen County, State of Indiana, for value received, hereby promises to pay to the aforesaid Registered Owner, or registered assigns, solely out of the special revenue fund hereinafter referred to, the aforesaid Maturity Amount on the aforesaid Maturity Date. This Refunding Bond is issued as a Capital Appreciation Bond (as defined in the Bond Ordinance, hereinafter defined, and herein called a "Capital Appreciation Bond"). The provisions respecting redemption of Capital Appreciation Bonds hereinafter set forth apply only to the Capital Appreciation Bonds. Any person in whose name this Capital Appreciation Bond is registered (the "Holder") should not sell or otherwise dispose of this Capital Appreciation Bond without taking appropriate steps to determine the Compound Accreted Amount (as reflected in the Schedule of Compound Accreted Amounts set forth herein and herein called the "Compound Accreted Amount") of this Capital Appreciation Bond.

The principal of and any premium on and interest on this Refunding Bond are payable upon presentation and surrender hereof at the principal office of the Paying Agent, presently Summit Bank, Fort Wayne, Indiana (the "Paying Agent"). The principal of and interest on and premium, if any, on this Refunding Bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agent.

This Refunding Bond is one of an authorized issue of Sewer Works Revenue Refunding Bonds (the "Refunding Bonds") of the City of Fort Wayne, of like date, tenor and effect, except as to numbering, interest rates, and dates of maturity, in the total original principal amount of Eighteen Million Ninety-Six Thousand Two Hundred Seventy-Five and Fifteen Hundredths Dollars (\$18,096,275.15), issued for the purpose of providing funds to be applied to the refunding of the City's Sewage Works Improvement Revenue Bonds, dated November 1, 1959, now outstanding in the amount of Six Hundred Forty Thousand Dollars (\$640,000), the City's Sewage Works Improvement Revenue Bonds of 1961, dated August 1, 1961, now outstanding in the amount of Nine Hundred Thirty Thousand Dollars (\$930,000), the City's Sewage Works Improvement Revenue Bonds of 1970, dated April 1, 1970, now outstanding in the amount of One Million Eight Hundred Thirty Thousand Dollars (\$1,830,000), the City's Sewage Works Improvement Revenue Bonds of 1975, dated January 1, 1975, now outstanding in the amount of Five Million Two Hundred Eighty-Five Thousand Dollars (\$5,285,000), the City's Sewage Works Revenue Bonds of 1982, dated July 1, 1982, now outstanding in the amount of Three Million Four Hundred Thousand Dollars (\$3,400,000), and the City's Sewer Connection Revenue Bonds of 1982, dated July 1, 1982, now outstanding in

the amount of Three Million Nine Hundred Forty Thousand Dollars (\$3,940,000) (collectively, the "Outstanding Bonds"), including the cost of issuance, as authorized by an ordinance (the "Bond Ordinance") adopted by the Common Council of the City of Fort Wayne on the 26th day of November, 1985, entitled "An Ordinance concerning the issuance of junior revenue refunding bonds of the City of Fort Wayne, Indiana in an original principal amount of \$3,995,706.70 with respect bond income growth securities and \$14,100,568.45 with respect to capital appreciation bonds, together aggregating an original principal amount of \$18,096,275.15 to provide for the refunding of revenue bonds which were issued to provide for the cost of the construction of additions and improvements to the sewage works of the City of Fort Wayne, the collection, segregation and distribution of the revenues of said works, the safeguarding of the interests of the holders of said junior revenue refunding bonds, and other matters connected therewith and for repealing ordinances inconsistent therewith" and in strict compliance with the provisions of I.C. 36-9-23 (the "Sewer Act") and I.C. 5-1-5 (the "Refunding Act").

This Refunding Bond shall not be entitled to any benefit under the Bond Ordinance or become valid or obligatory for any purpose until the certificate of authentication hereon shall have been signed by Summit Bank, as the Registrar (the "Registrar").

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS REFUNDING BOND SET FORTH ON THE REVERSE SIDE. THOSE PROVISIONS SHALL HAVE THE SAME EFFECT FOR ALL PURPOSES AS IF SET FORTH HERE.

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the execution, issuance and delivery of this Refunding Bond have been done and performed in regular and due form as provided by law.

Date of This Refunding Bond
Registra- is one of the Re-
tion and funding Bonds de-
Authenti- scribed in the
cation: within-mentioned
_____ Bond Ordinance.

SUMMIT BANK,
Fort Wayne,
Indiana,
Registrar

By: _____
Authorized
Officer

Registrable at:
Summit Bank,
Fort Wayne,
Indiana

Payable by:
Summit Bank,
Fort Wayne,
Indiana

IN WITNESS WHEREOF,
the City of Fort Wayne,
in Allen County, State
of Indiana, has caused
this Refunding Bond to
be executed in its cor-
porate name by the man-
ual or facsimile signa-
ture of the Mayor of
the City, countersigned
by the manual or fac-
simile signature of
the City Controller,
its corporate seal to
be hereunto affixed
manually, or imprinted
or impressed thereon by
facsimile or by any
other means, and at-
tested manually or by
facsimile by its Clerk
as of the _____ day of
December, 1985.

CITY OF FORT WAYNE,
INDIANA

By (facsimile)
Mayor

Attest:

(facsimile)
Clerk

Countersigned:

(facsimile)
City Controller

(FACSIMILE OF SEAL)

[FORM OF REVERSE SIDE OF CAPITAL APPRECIATION BOND]

Reference is hereby made to the Bond Ordinance for a more complete description of the nature and extent of the security for the Refunding Bonds, the rights, duties and obligations of the Holders, the Registrar, the Paying Agent and the City, and the terms and conditions upon which the Refunding Bonds are issued and secured, to all of the provisions of which Bond Ordinance each Holder, by the acceptance hereof, assents. A copy of the Bond Ordinance is on file in the office of the Clerk of the City.

Pursuant to the provisions of the Sewer Act and the Refunding Act and the Bond Ordinance, the principal and interest of this Refunding Bond and all other Refunding Bonds of said issue, and any bonds ranking on a parity therewith, are payable solely from moneys held in the Sewage Works Sinking Fund heretofore created by Ordinance No. 1939, adopted July 26, 1938 (the "Sewage Works Sinking Fund") and continued by the ordinances authorizing the issuance of the aforementioned Outstanding Bonds to be provided from the net revenues (herein defined as the gross revenues after deduction only for the payment of the reasonable expenses of operation, repair and maintenance) derived from the sewage works of the City of Fort Wayne, and all additions and improvements thereto and replacements thereof subsequently constructed or acquired; subject, however, to the prior payment from the Sewage Works Sinking Fund of the principal and interest on the Outstanding Bonds, which Outstanding Bonds are of equal priority and are payable annually over a period ending on August 1, 2000. This Refunding Bond shall not constitute an indebtedness of the City of Fort Wayne within the meaning of the provisions and limitations of the constitution or statutes of the State of Indiana, and the City shall not be obligated to pay this Refunding Bond or the interest thereon except from said special fund provided from said net revenues.

Subject to the prior servicing of the Outstanding Bonds, the City of Fort Wayne irrevocably pledges the entire net revenues of said sewage works to the prompt payment of the principal of and interest on the Refunding Bonds authorized by the Bond Ordinance, of which this is one, and covenants that it will cause to be fixed, maintained and collected such rates and charges for service rendered by said works as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works, to provide for proper depreciation, and for the payment of the sums required to be paid into the Sewage Works Sinking Fund under the provisions of the Sewer Act and the Refunding Act and the Bond Ordinance. In the event the City or the proper officers thereof shall fail or refuse to so fix, maintain and collect such rates or charges, or if there be a default in the payment of the interest on or principal of this Refunding Bond, the Holder of this Refunding Bond shall have all of the rights and remedies provided for in the Sewer Act and the Refunding Act and the acts amendatory thereof and supplemental thereto, including the right to have a receiver appointed to administer the works and to charge and collect rates sufficient to provide for the payment of this Refunding Bond and the interest hereon; provided that Bond Investors Guaranty Insurance Company ("Bond Investors Guaranty") shall, for purposes of exercising any of the rights and remedies referred to in this sentence, be treated as the Holder of this Refunding Bond so long as Bond Investors Guaranty has not failed to pay under the Municipal Bond Insurance Policy hereinafter described and shall have the exclusive right to act pursuant to such rights and remedies with respect to this Refunding Bond.

The City of Fort Wayne further covenants that it will set aside and pay into its Sewage Works Sinking Fund a sufficient amount of the net revenues of said works to meet (a) the interest on all Refunding Bonds payable from the revenues of said sewage works, as such interest shall fall due; provided, however, that credit shall be given for interest payable on any Outstanding Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, (b) the necessary fiscal agency charges for paying all Refunding Bonds and interest, (c) the principal of all Refunding Bonds payable from the revenues of said sewage works, as such principal shall fall due; provided, however, that credit shall be given for principal payable on any Outstanding Bonds, so long as sufficient funds are available under the Escrow Agreement for the payment thereof, and (d) an additional amount as a margin of safety, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal not less than ten percent (10%) of all other amounts so required to be paid into the Sewage Works Sinking Fund together with (e) other sums to be held as reserves as provided in the Bond Ordinance. Such required payments shall constitute a first charge upon all the net revenues of said works; subject, however, to the prior payment from the Sewage Works Sinking Fund of the principal and interest on the Outstanding Bonds.

If any Capital Appreciation Bond shall not be presented for payment of principal or interest on the date fixed therefor, the City may deposit in trust with the Registrar an amount sufficient to pay the principal or interest then due of that Capital Appreciation Bond and thereafter the Holder shall look only to the funds so deposited in trust with the Registrar for payment and the City shall have no further obligation or liability in respect thereto.

Subject to provisions for registration, this Refunding Bond and all other Refunding Bonds of said issue shall have all the qualities and incidents of negotiable instruments under the laws of the State of Indiana.

Compound Accreted Amount (per \$5,000 Maturity Amount) for Capital Appreciation Bonds maturing on August 1, ____:

<u>Date</u>	<u>Compound Accreted Amount</u>
-------------	---------------------------------

[To be provided for each bond]

The Compound Accreted Amount for any Capital Appreciation Bond (per \$5,000 Maturity Amount of such Capital Appreciation Bond) with respect to any date other than a date stated in the above table, and prior to the stated maturity of such Capital Appreciation Bond, shall be determined conclusively by the Registrar or a certified public accountant selected by the Registrar, by interpolating such Compound Accreted Amount, using the straight line method, by reference to the Compound Accreted Amounts for the dates listed on such table which are immediately prior to and immediately subsequent to such date, and based on the assumption that the Compound Accreted Amount increases during any semi-annual period in equal daily amounts on the basis of a year of twelve 30-day months. All references to "interest" on any Refunding Bond in the Bond Ordinance shall, with respect to the Capital Appreciation Bonds, unless the context clearly indicates otherwise, refer to the excess of the Compound Accreted Amount over the original principal amount of such Capital Appreciation Bond, as of any relevant date.

To the extent and in the manner permitted by the terms of the Bond Ordinance, any of the terms or provisions contained in the Bond Ordinance, or in any supplemental ordinance, may be modified, altered, amended, added to or rescinded by the adoption by the City of such ordinance or ordinances supplemental to the Bond Ordinance as are deemed necessary or

desirable by the City with the consent of the Holders of not less than sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the then outstanding Refunding Bonds (as calculated pursuant to the provisions of the Bond Ordinance) and Bond Investors Guaranty. No such action shall result in (i) an extension of the maturity of the principal of or interest on any Refunding Bond, (ii) a reduction in the principal amount of any Refunding Bond or the redemption premium or the rate of interest thereon, (iii) the creation of a lien upon or a pledge of the revenues of the sewage works ranking prior to the pledge thereof created by the Bond Ordinance, (iv) a preference or priority of any Refunding Bond or Bonds over any other Refunding Bond or Bonds, or (v) a reduction in the aggregate principal amount of the Refunding Bonds required for consent to a supplemental ordinance.

The Capital Appreciation Bonds are issuable only as fully registered bonds in the principal amounts which correspond to Maturity Amounts of \$5,000 or any integral multiple thereof (an "Authorized Denomination"). The Capital Appreciation Bonds are exchangeable for Capital Appreciation Bonds of other Authorized Denominations in equal aggregate principal amounts at the office of the Registrar but only in the manner and subject to the limitations provided in the Bond Ordinance. This Refunding Bond is transferable at the office of the Registrar, by the Holder in person or by his attorney duly authorized in writing, upon presentation and surrender hereof to the Registrar.

[LEGEND OF BOND INSURANCE]

Bond Investors Guaranty Insurance Company ("Bond Investors Guaranty"), an Illinois stock insurance company, has issued its Municipal Bond Insurance Policy No. _____ with respect to the payments due for principal of and interest on this Refunding Bond to Bankers Trust Company, as the Insurance Trustee under said Policy, in New York, New York. Said Policy is on file and available for inspection at the principal office of said Insurance Trustee and a copy thereof may be secured from Bond Investors Guaranty or said Insurance Trustee.

[LEGAL OPINION]

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers unto _____

the within Refunding Bond and irrevocably constitutes and appoints _____ attorney to transfer that Refunding Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Refunding Bond in every particular, without alteration or any change whatever.

The social security number, taxpayer identification number, or other identifying number of the assignee is to be inserted in the box.

Read the first time in full and on motion by _____,
seconded by _____, and duly adopted, read the second time
by title and referred to the Committee _____ (and the City
Plan Commission for recommendation) and Public Hearing to be held after
due legal notice, at the Council Chambers, City-County Building, Fort Wayne
Indiana, on _____, the _____ day of
_____, 19____, at _____ o'clock _____.M.,E.S.

DATE: _____

SANDRA E. KENNEDY, CITY CLERK

Read the third time in full and on motion by Eustach,
seconded by Stier, and duly adopted, placed on its
passage. PASSED (LOST) by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>	<u>TO-WIT:</u>
<u>TOTAL VOTES</u>	<u>7</u>	<u>2</u>	_____	_____	_____
<u>BRADBURY</u>	<u>✓</u>	_____	_____	_____	_____
<u>BURNS</u>	_____	<u>✓</u>	_____	_____	_____
<u>EISBART</u>	<u>✓</u>	_____	_____	_____	_____
<u>GiaQUINTA</u>	<u>✓</u>	_____	_____	_____	_____
<u>HENRY</u>	<u>✓</u>	_____	_____	_____	_____
<u>REDD</u>	<u>✓</u>	_____	_____	_____	_____
<u>SCHMIDT</u>	_____	<u>✓</u>	_____	_____	_____
<u>STIER</u>	<u>✓</u>	_____	_____	_____	_____
<u>TALARICO</u>	<u>✓</u>	_____	_____	_____	_____

DATE: 11-26-85

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Passed and adopted by the Common Council of the City of Fort
Wayne, Indiana, as (~~ANNEXATION~~) (~~APPROPRIATION~~) (~~GENERAL~~)

(SPECIAL) (ZONING MAP) ORDINANCE (RESOLUTION) NO. D-218-85
on the 26th day of November, 1985,

ATTEST:

(SEAL)

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Mark E. GiaQuinta
PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana,
on the 27th day of November, 1985,
at the hour of 1:00 o'clock P..M.,E.S.T.

Sandra E. Kennedy
SANDRA E. KENNEDY, CITY CLERK

Approved and signed by me this 5th day of December,
1985, at the hour of 3:30 o'clock P..M.,E.S.T.

Win Moses, Jr.
WIN MOSES, JR., MAYOR

BOND REGISTRAR AGREEMENT

THIS BOND REGISTRAR AGREEMENT (the "Agreement") is made and entered into as of November 1, 1985, and under the circumstances summarized in the following recitals, by and between Summit Bank, Fort Wayne, Indiana (the "Bond Registrar"), a bank duly organized and validly existing under the laws of the State of Indiana, and the City of Fort Wayne, Indiana (the "City"), a municipal corporation and political subdivision duly organized and validly existing under the laws of the State of Indiana, in connection with the issuance and servicing of \$18,096,275.15 Sewage Works Revenue Refunding Bonds dated as of December 18, 1985 (the "Bonds"):

A. By Ordinance No. _____ passed by the Common Council of the City on November 26, 1985 (the "Bond Ordinance"), a certified copy of which is attached to this Agreement, the City has authorized the issuance and sale of the Bonds.

B. By the Bond Ordinance and pursuant to I.C. 5-1-15, the City has appointed the Bond Registrar as its agent to act as authenticating agent, bond registrar, transfer agent and paying agent for and in connection with the Bonds, and has authorized and directed the Bond Registrar to keep all the books and records necessary for registration, exchange and transfer of the Bonds (the "Bond Register").

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the City and the Bond Registrar agree as follows:

Section 1. In connection with the original issuance and delivery of the Bonds:

(a) The City shall deliver to the Bond Registrar no later than _____ business days prior to the day set for delivery of the Bonds to the original purchaser (the "Closing"):

(i) specimens of the signatures or facsimile signatures of the officers of the City whose signatures or facsimile signatures appear on the Bonds;

(ii) bond forms with appropriate blank spaces to be filled in (the "Bond Forms"), in sufficient number to provide the Bonds for delivery at the Closing and for future exchanges and transfers, as agreed upon by the City and the Bond Registrar;

(iii) the names and addresses of the registered owners of the Bonds (the "Owners"), the principal amounts of the Bonds, and any other information needed to complete the Bond Forms to be delivered at the Closing; and

(iv) a completed Request to Authenticate and Deliver in the form attached as Exhibit A.

(b) The Bond Registrar shall complete the Bonds to be delivered at the Closing by inserting the appropriate information into the Bond Forms and shall record the names and addresses of the Owners in the Bond Register, all so as to permit delivery of those Bonds at the time and place of the Closing.

(c) At the time and place of the Closing or at another time and place agreed to by the City and the Bond Registrar, the Bond Registrar, through one or more duly authorized officers or employees, or through another authorized person acting as an agent of the Bond Registrar and approved by the City, shall sign the Certificate of Authentication on each of the Bonds to be delivered at the Closing.

(d) The Bond Registrar shall on behalf of the City deliver those Bonds in accordance with the instructions in that Request to Authenticate and Deliver.

Section 2. The Bond Registrar shall hold in safekeeping the Bond Forms delivered to it by the City and not delivered at the Closing, as set forth in the form of Receipt attached as Exhibit B, and shall notify the City of any need for additional Bond Forms in sufficient time to permit an adequate supply to be available for exchange or transfer.

Section 3. So long as any of the Bonds remain outstanding the Bond Registrar shall keep and maintain at its principal office the Bond Register, on which it shall maintain a current and accurate record of the names and addresses of the Owners, and shall perform, without limitation, authentication, registration, exchange, transfer and paying agent functions and related mechanical, clerical and record or bookkeeping functions in connection with the Bonds, all in accordance with this Agreement, the Bond Ordinance, I.C. 5-1-15 and any applicable requirements of Section 103(j) of the Internal Revenue Code of 1954, as amended, and regulations, proposed regulations and rulings thereunder.

Section 4. In accordance with the Bond Ordinance, the Bond Registrar shall:

(a) Exchange or transfer Bonds upon presentation and surrender at the principal office of the Bond Registrar, together with a request for exchange or an assignment signed by the Owner or by a person legally empowered to do so, in a form satisfactory to the Bond Registrar, and shall complete, authenticate and deliver new Bonds to the Owner or the Owner of the transferred Bonds in an authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Bonds surrendered; the new Bonds shall bear interest at the same rate and shall mature on the same date as the surrendered Bonds.

(b) Record the exchange or transfer of any Bond on the Bond Register.

(c) If manual signatures on behalf of the City are required, undertake the above actions only after the new Bonds are signed by the authorized officers of the City.

(d) Complete the transfer or exchange, completion, authentication and delivery of the new Bonds in accordance with the standards and conditions applicable to registered corporate securities established in the Securities and Exchange Commission regulation §240.17 Ad-1 and -2 as promulgated under Section 17A of the Securities and Exchange Act of 1934, as amended.

Section 5. Every exchange or transfer of the Bonds shall be made without charge to the Owners, except that the City and Bond Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to the exchange or transfer. The Bond Registrar may require that those charges, if any, be paid before it begins the procedure for the exchange or transfer.

Section 6. The Bond Registrar shall complete, authenticate, deliver and register new Bonds to replace Bonds lost, stolen, destroyed or mutilated upon receiving written instructions to do so from the City Controller of the City together with evidence of indemnification by the Owner of the City and the Bond Registrar in a form satisfactory to the City and the Bond Registrar.

Section 7. The Bond Registrar shall cancel any Bonds surrendered to it pursuant to the Bond Ordinance for payment or retirement or for exchange, replacement or transfer. Written reports of surrender and cancellation of the Bonds shall be made to the City Controller of the City by the Bond Registrar at least twice each calendar year. Unless otherwise directed by the City or other lawful authority, cancelled Bonds shall be retained and stored by the Bond Registrar for a period of seven years. After that time or at any earlier time as authorized by the City, the cancelled Bonds may, at the direction of the City Controller of the City, be either returned to the City or destroyed by the Bond Registrar by shredding or cremation, and certificates of that destruction (describing the manner thereof) shall be provided by the Bond Registrar to the City Controller of the City.

Section 8. The Bond Registrar shall retain and store the Bond Register for seven years after payment of all of the Bonds. At any time and upon request by the City, the Bond Registrar shall permit the City to inspect the Bond Register and shall provide the City with a copy of the Bond Register. The Bond Registrar and the City acknowledge that pursuant to I.C. 5-1-15-5 the Bond Register is not a "public record" under Indiana law. In the event of a request to the Bond Registrar by any person other than the City for inspection of the Bond Register, the Bond Registrar shall notify the City Controller of the City and shall not permit that inspection unless it is approved by the City Controller of the City, except that the Bond Registrar may permit an inspection pursuant to an order of a court of competent jurisdiction.

Section 9. The Bond Registrar shall pay the principal of and interest on the Bonds in accordance with the Bond Ordinance, but only from moneys deposited with the Bond Registrar by the City for that purpose. The City shall cause funds to be on deposit with the Bond Registrar in an amount sufficient and available to pay the interest, or principal and interest, then to be due no later than 10:00 a.m. (Indiana time) on the day on which that payment is to be made.

Section 10. The Bond Registrar agrees to undertake the duties and obligations and to perform all services contemplated to be performed under this Agreement. For these services, the City shall pay the Bond Registrar in accordance with the attached Schedule.

Section 11. In the absence of bad faith on its part in the performance of its services under this Agreement, the Bond Registrar shall be protected in acting upon any notice, request, certificate, affidavit, letter, telegram or other paper or document believed reasonably by it to be genuine and correct and to have been signed or sent by the proper party or parties.

Section 12. The Bond Registrar may resign as Bond Registrar at any time by giving 30 days written notice of resignation to the City. The Bond Registrar may be removed at any time by written notice to that effect specifying the date and time of termination, signed on behalf of the City by the City Controller and delivered to the Bond Registrar. Upon the effectiveness of the resignation or termination, the Bond Registrar shall deliver to the City or such other person designated by the City the Bond Register and all other records (or copies of those records) pertaining to the Bonds and all Bond Forms and cancelled Bonds.

Section 13. Notice from one of the parties to the other under this Agreement shall be sufficient hereunder if it is contained in a writing mailed by first class mail postage prepaid to the City at One Main Street, Fort Wayne, Indiana 46802, Attention: _____, to the Bond Registrar at One Summit Square, Fort Wayne, Indiana 46802, Attention: _____, or to any other address which may be designated from time to time by either party in writing delivered to the other party.

Section 14. Neither this Agreement nor any provision hereof may be changed, revised or amended, except by a writing signed on behalf of the City and the Bond Registrar.

Section 15. In case any section or provision of this Agreement, or any agreement, obligation, act or action, or part thereof, made, assumed, entered into, done or taken under this Agreement, or any application thereof, is held to be illegal or invalid for any reason, or is inoperable at any time, that illegality, invalidity or inoperability shall not affect the remainder of this Agreement or any other section or provision of this Agreement or any other agreement, obligation, act or action, or part thereof, made, assumed, entered into, done or taken under this Agreement, all of which shall be construed and enforced at the time as if the illegal, invalid or inoperable portion were not contained therein. Any illegality, invalidity or inoperability shall not affect any legal, valid and operable section, provision, agreement, obligation, act, action, part or application, all of which shall be deemed to be effective, operative, made, assumed, entered into, done or taken in the manner and to the full extent permitted by law from time to time.

Section 16. This Agreement is and shall be deemed to be a contract for services made under the laws of the State of Indiana and for all purposes shall be governed by and construed in accordance with the laws of the State of Indiana. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors. This Agreement may be executed in several counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the day and year first above written.

SUMMIT BANK

Dated: _____, 1985

By: _____
Title:

CITY OF FORT WAYNE, INDIANA

Dated: _____, 1985

By: _____
Mayor

By: _____
City Controller

Approved as to form and legality this ____ day of _____, 1985.

City Attorney

\$18,096,275.15
City of Fort Wayne, Indiana
Sewage Works Revenue Refunding Bonds

REQUEST TO AUTHENTICATE AND DELIVER

The City of Fort Wayne, Indiana (the "City"), by the undersigned officer of the City, requests and authorizes Summit Bank, Fort Wayne, Indiana, as Bond Registrar under the Bond Registrar Agreement between the City and the Bond Registrar dated as of November 1, 1985 (the "Bond Registrar") and pertaining to the captioned Bonds (the "Bonds"), to complete and to authenticate or cause to be authenticated as authenticating agent pursuant to the Bond Registrar Agreement, and to deliver on this date, the initial Bonds as authorized by City Ordinance No. _____ passed by the Common Council on November 26, 1985, and awarded to Cranston Securities Company (the "Original Purchaser") pursuant to that Ordinance.

The Bonds shall be delivered to or on the order of the Original Purchaser, upon payment in federal funds of the sum of \$18,096,275.15 being the purchase price all in accordance with the Ordinance.

The Bonds to be initially authenticated and delivered, all dated as of December 18, 1985, are described as follows:

Maturities and Interest Rate: The Bonds will mature and bear interest as follows:

Those principal amounts bear interest at the rates stated above, payable February 1 and August 1 commencing February 1, 1986.

Form, Numbers and Denominations: Fully registered Bonds, numbered as determined by the Bond Registrar, in denominations and registered in the names of the registered owners as designated by the Original Purchaser.

Date: _____, 1985

City Controller

\$18,096,275.15
City of Fort Wayne, Indiana
Sewage Works Revenue Refunding Bonds

BOND REGISTRAR'S CERTIFICATE OF COMPLETION AND AUTHENTICATION
AND RECEIPT OF UNISSUED BONDS

Summit Bank, Fort Wayne, Indiana, as Bond Registrar under the Bond Registrar Agreement between the City of Fort Wayne, Indiana, and the Bond Registrar, certifies that:

(a) The following individuals have signed, on behalf of the Bond Registrar as authenticating agent, the Certificate of Authentication appearing on the captioned Bonds (the "Bonds"), and initially delivered on this date, each being an officer or employee of the Bond Registrar duly qualified, empowered and authorized so to act on behalf of the Bond Registrar and holding the office or title set forth opposite the name:

<u>Name</u>	<u>Signature Sample</u>	<u>Office or Title</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

(b) All blanks on the Bonds requiring completion by the Bond Registrar have been properly, completely and accurately completed by the Bond Registrar.

(c) The Bonds so completed and authenticated are in the denomination and registered in the names of the registered owners as directed in, and have been delivered in accordance with, the Request To Authenticate and Deliver of the City of Fort Wayne, Indiana.

(d) The undersigned as Bond Registrar has received and retains control of certain unissued and authenticated fully registered Bonds being _____ pieces, all of which are now blank as to number, registered owner, maturity and amount.

SUMMIT BANK,
Bond Registrar

By: _____

Date: _____, 1985

Title: _____

I certify that the signature of the above-named officer is true and genuine, and that that individual holds the office indicated under that signature.

Date: _____, 1985

By: _____

Title: _____

BOND REGISTRAR AGREEMENT

THIS BOND REGISTRAR AGREEMENT (the "Agreement") is made and entered into as of November 1, 1985, and under the circumstances summarized in the following recitals, by and between Summit Bank, Fort Wayne, Indiana (the "Bond Registrar"), a bank duly organized and validly existing under the laws of the State of Indiana, and the City of Fort Wayne, Indiana (the "City"), a municipal corporation and political subdivision duly organized and validly existing under the laws of the State of Indiana, in connection with the issuance and servicing of \$18,096,275.15 Sewage Works Revenue Refunding Bonds dated as of December 18, 1985 (the "Bonds"):

A. By Ordinance No. _____ passed by the Common Council of the City on November 26, 1985 (the "Bond Ordinance"), a certified copy of which is attached to this Agreement, the City has authorized the issuance and sale of the Bonds.

B. By the Bond Ordinance and pursuant to I.C. 5-1-15, the City has appointed the Bond Registrar as its agent to act as authenticating agent, bond registrar, transfer agent and paying agent for and in connection with the Bonds, and has authorized and directed the Bond Registrar to keep all the books and records necessary for registration, exchange and transfer of the Bonds (the "Bond Register").

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the City and the Bond Registrar agree as follows:

Section 1. In connection with the original issuance and delivery of the Bonds:

(a) The City shall deliver to the Bond Registrar no later than _____ business days prior to the day set for delivery of the Bonds to the original purchaser (the "Closing"):

(i) specimens of the signatures or facsimile signatures of the officers of the City whose signatures or facsimile signatures appear on the Bonds;

(ii) bond forms with appropriate blank spaces to be filled in (the "Bond Forms"), in sufficient number to provide the Bonds for delivery at the Closing and for future exchanges and transfers, as agreed upon by the City and the Bond Registrar;

(iii) the names and addresses of the registered owners of the Bonds (the "Owners"), the principal amounts of the Bonds, and any other information needed to complete the Bond Forms to be delivered at the Closing; and

(iv) a completed Request to Authenticate and Deliver in the form attached as Exhibit A.

(b) The Bond Registrar shall complete the Bonds to be delivered at the Closing by inserting the appropriate information into the Bond Forms and shall record the names and addresses of the Owners in the Bond Register, all so as to permit delivery of those Bonds at the time and place of the Closing.

(c) At the time and place of the Closing or at another time and place agreed to by the City and the Bond Registrar, the Bond Registrar, through one or more duly authorized officers or employees, or through another authorized person acting as an agent of the Bond Registrar and approved by the City, shall sign the Certificate of Authentication on each of the Bonds to be delivered at the Closing.

(d) The Bond Registrar shall on behalf of the City deliver those Bonds in accordance with the instructions in that Request to Authenticate and Deliver.

Section 2. The Bond Registrar shall hold in safekeeping the Bond Forms delivered to it by the City and not delivered at the Closing, as set forth in the form of Receipt attached as Exhibit B, and shall notify the City of any need for additional Bond Forms in sufficient time to permit an adequate supply to be available for exchange or transfer.

Section 3. So long as any of the Bonds remain outstanding the Bond Registrar shall keep and maintain at its principal office the Bond Register, on which it shall maintain a current and accurate record of the names and addresses of the Owners, and shall perform, without limitation, authentication, registration, exchange, transfer and paying agent functions and related mechanical, clerical and record or bookkeeping functions in connection with the Bonds, all in accordance with this Agreement, the Bond Ordinance, I.C. 5-1-15 and any applicable requirements of Section 103(j) of the Internal Revenue Code of 1954, as amended, and regulations, proposed regulations and rulings thereunder.

Section 4. In accordance with the Bond Ordinance, the Bond Registrar shall:

(a) Exchange or transfer Bonds upon presentation and surrender at the principal office of the Bond Registrar, together with a request for exchange or an assignment signed by the Owner or by a person legally empowered to do so, in a form satisfactory to the Bond Registrar, and shall complete, authenticate and deliver new Bonds to the Owner or the Owner of the transferred Bonds in an authorized denomination or denominations equal in the aggregate to the unmatured principal amount of the Bonds surrendered; the new Bonds shall bear interest at the same rate and shall mature on the same date as the surrendered Bonds.

(b) Record the exchange or transfer of any Bond on the Bond Register.

(c) If manual signatures on behalf of the City are required, undertake the above actions only after the new Bonds are signed by the authorized officers of the City.

(d) Complete the transfer or exchange, completion, authentication and delivery of the new Bonds in accordance with the standards and conditions applicable to registered corporate securities established in the Securities and Exchange Commission regulation §240.17 Ad-1 and -2 as promulgated under Section 17A of the Securities and Exchange Act of 1934, as amended.

Section 5. Every exchange or transfer of the Bonds shall be made without charge to the Owners, except that the City and Bond Registrar may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to the exchange or transfer. The Bond Registrar may require that those charges, if any, be paid before it begins the procedure for the exchange or transfer.

Section 6. The Bond Registrar shall complete, authenticate, deliver and register new Bonds to replace Bonds lost, stolen, destroyed or mutilated upon receiving written instructions to do so from the City Controller of the City together with evidence of indemnification by the Owner of the City and the Bond Registrar in a form satisfactory to the City and the Bond Registrar.

Section 7. The Bond Registrar shall cancel any Bonds surrendered to it pursuant to the Bond Ordinance for payment or retirement or for exchange, replacement or transfer. Written reports of surrender and cancellation of the Bonds shall be made to the City Controller of the City by the Bond Registrar at least twice each calendar year. Unless otherwise directed by the City or other lawful authority, cancelled Bonds shall be retained and stored by the Bond Registrar for a period of seven years. After that time or at any earlier time as authorized by the City, the cancelled Bonds may, at the direction of the City Controller of the City, be either returned to the City or destroyed by the Bond Registrar by shredding or cremation, and certificates of that destruction (describing the manner thereof) shall be provided by the Bond Registrar to the City Controller of the City.

Section 8. The Bond Registrar shall retain and store the Bond Register for seven years after payment of all of the Bonds. At any time and upon request by the City, the Bond Registrar shall permit the City to inspect the Bond Register and shall provide the City with a copy of the Bond Register. The Bond Registrar and the City acknowledge that pursuant to I.C. 5-1-15-5 the Bond Register is not a "public record" under Indiana law. In the event of a request to the Bond Registrar by any person other than the City for inspection of the Bond Register, the Bond Registrar shall notify the City Controller of the City and shall not permit that inspection unless it is approved by the City Controller of the City, except that the Bond Registrar may permit an inspection pursuant to an order of a court of competent jurisdiction.

Section 9. The Bond Registrar shall pay the principal of and interest on the Bonds in accordance with the Bond Ordinance, but only from moneys deposited with the Bond Registrar by the City for that purpose. The City shall cause funds to be on deposit with the Bond Registrar in an amount sufficient and available to pay the interest, or principal and interest, then to be due no later than 10:00 a.m. (Indiana time) on the day on which that payment is to be made.

Section 10. The Bond Registrar agrees to undertake the duties and obligations and to perform all services contemplated to be performed under this Agreement. For these services, the City shall pay the Bond Registrar in accordance with the attached Schedule.

Section 11. In the absence of bad faith on its part in the performance of its services under this Agreement, the Bond Registrar shall be protected in acting upon any notice, request, certificate, affidavit, letter, telegram or other paper or document believed reasonably by it to be genuine and correct and to have been signed or sent by the proper party or parties.

Section 12. The Bond Registrar may resign as Bond Registrar at any time by giving 30 days written notice of resignation to the City. The Bond Registrar may be removed at any time by written notice to that effect specifying the date and time of termination, signed on behalf of the City by the City Controller and delivered to the Bond Registrar. Upon the effectiveness of the resignation or termination, the Bond Registrar shall deliver to the City or such other person designated by the City the Bond Register and all other records (or copies of those records) pertaining to the Bonds and all Bond Forms and cancelled Bonds.

Section 13. Notice from one of the parties to the other under this Agreement shall be sufficient hereunder if it is contained in a writing mailed by first class mail postage prepaid to the City at One Main Street, Fort Wayne, Indiana 46802, Attention: _____, to the Bond Registrar at One Summit Square, Fort Wayne, Indiana 46802, Attention: _____, or to any other address which may be designated from time to time by either party in writing delivered to the other party.

Section 14. Neither this Agreement nor any provision hereof may be changed, revised or amended, except by a writing signed on behalf of the City and the Bond Registrar.

Section 15. In case any section or provision of this Agreement, or any agreement, obligation, act or action, or part thereof, made, assumed, entered into, done or taken under this Agreement, or any application thereof, is held to be illegal or invalid for any reason, or is inoperable at any time, that illegality, invalidity or inoperability shall not affect the remainder of this Agreement or any other section or provision of this Agreement or any other agreement, obligation, act or action, or part thereof, made, assumed, entered into, done or taken under this Agreement, all of which shall be construed and enforced at the time as if the illegal, invalid or inoperable portion were not contained therein. Any illegality, invalidity or inoperability shall not affect any legal, valid and operable section, provision, agreement, obligation, act, action, part or application, all of which shall be deemed to be effective, operative, made, assumed, entered into, done or taken in the manner and to the full extent permitted by law from time to time.

Section 16. This Agreement is and shall be deemed to be a contract for services made under the laws of the State of Indiana and for all purposes shall be governed by and construed in accordance with the laws of the State of Indiana. This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors. This Agreement may be executed in several counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the day and year first above written.

SUMMIT BANK

Dated: _____, 1985

By: _____
Title:

CITY OF FORT WAYNE, INDIANA

Dated: _____, 1985

By: _____
Mayor

By: _____
City Controller

Approved as to form and legality this ____ day of _____, 1985.

City Attorney

\$18,096,275.15
City of Fort Wayne, Indiana
Sewage Works Revenue Refunding Bonds

REQUEST TO AUTHENTICATE AND DELIVER

The City of Fort Wayne, Indiana (the "City"), by the undersigned officer of the City, requests and authorizes Summit Bank, Fort Wayne, Indiana, as Bond Registrar under the Bond Registrar Agreement between the City and the Bond Registrar dated as of November 1, 1985 (the "Bond Registrar") and pertaining to the captioned Bonds (the "Bonds"), to complete and to authenticate or cause to be authenticated as authenticating agent pursuant to the Bond Registrar Agreement, and to deliver on this date, the initial Bonds as authorized by City Ordinance No. _____ passed by the Common Council on November 26, 1985, and awarded to Cranston Securities Company (the "Original Purchaser") pursuant to that Ordinance.

The Bonds shall be delivered to or on the order of the Original Purchaser, upon payment in federal funds of the sum of \$18,096,275.15 being the purchase price all in accordance with the Ordinance.

The Bonds to be initially authenticated and delivered, all dated as of December 18, 1985, are described as follows:

Maturities and Interest Rate: The Bonds will mature and bear interest as follows:

Those principal amounts bear interest at the rates stated above, payable February 1 and August 1 commencing February 1, 1986.

Form, Numbers and Denominations: Fully registered Bonds, numbered as determined by the Bond Registrar, in denominations and registered in the names of the registered owners as designated by the Original Purchaser.

Date: _____, 1985

City Controller

\$18,096,275.15
City of Fort Wayne, Indiana
Sewage Works Revenue Refunding Bonds

BOND REGISTRAR'S CERTIFICATE OF COMPLETION AND AUTHENTICATION
AND RECEIPT OF UNISSUED BONDS

Summit Bank, Fort Wayne, Indiana, as Bond Registrar under the Bond Registrar Agreement between the City of Fort Wayne, Indiana, and the Bond Registrar, certifies that:

(a) The following individuals have signed, on behalf of the Bond Registrar as authenticating agent, the Certificate of Authentication appearing on the captioned Bonds (the "Bonds"), and initially delivered on this date, each being an officer or employee of the Bond Registrar duly qualified, empowered and authorized so to act on behalf of the Bond Registrar and holding the office or title set forth opposite the name:

<u>Name</u>	<u>Signature Sample</u>	<u>Office or Title</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

(b) All blanks on the Bonds requiring completion by the Bond Registrar have been properly, completely and accurately completed by the Bond Registrar.

(c) The Bonds so completed and authenticated are in the denomination and registered in the names of the registered owners as directed in, and have been delivered in accordance with, the Request To Authenticate and Deliver of the City of Fort Wayne, Indiana.

(d) The undersigned as Bond Registrar has received and retains control of certain unissued and authenticated fully registered Bonds being _____ pieces, all of which are now blank as to number, registered owner, maturity and amount.

SUMMIT BANK,
Bond Registrar

By: _____

Date: _____, 1985

Title: _____

I certify that the signature of the above-named officer is true and genuine, and that that individual holds the office indicated under that signature.

Date: _____, 1985

By: _____

Title: _____

ESCROW AGREEMENT

between

CITY OF FORT WAYNE, INDIANA

and

SUMMIT BANK

Relating to the Advance Refunding of
the Outstanding City of Fort Wayne, Indiana
Sewage Works Improvement Revenue Bonds,
dated November 1, 1959
Sewage Works Improvement Revenue Bonds of 1961,
dated August 1, 1961
Sewage Works Improvement Revenue Bonds of 1970,
dated April 1, 1970
Sewage Works Improvement Revenue Bonds of 1975,
dated January 1, 1975
Sewage Works Revenue Bonds of 1982,
dated July 1, 1982
Sewage Connection Revenue Bonds of 1982,
dated July 1, 1982

Dated

as of

November 1, 1985

ESCROW AGREEMENT

between

CITY OF FORT WAYNE, INDIANA

and

SUMMIT BANK

THIS ESCROW AGREEMENT (the "Agreement") is made as of November 1, 1985, by and between the CITY OF FORT WAYNE, INDIANA (the "Issuer"), a municipal corporation and political subdivision in and of the State of Indiana, and SUMMIT BANK, Fort Wayne, Indiana (the "Escrow Trustee"), a bank duly organized and validly existing under the laws of the State of Indiana and duly authorized to exercise corporate trust powers in the State of Indiana under the circumstances described in the following recitals:

A. The Issuer has issued its Sewage Works Improvement Revenue Bonds, dated November 1, 1959 (the "1959 Bonds"), now outstanding in the amount of Six Hundred Forty Thousand Dollars (\$640,000), its Sewage Works Improvement Revenue Bonds of 1961, dated August 1, 1961 (the "1961 Bonds"), now outstanding in the amount of Nine Hundred Thirty Thousand Dollars (\$930,000), its Sewage Works Improvement Revenue Bonds of 1970, dated April 1, 1970 (the "1970 Bonds"), now outstanding in the amount of One Million Eight Hundred Thirty Thousand Dollars (\$1,830,000), its Sewage Works Improvement Revenue Bonds of 1975, dated January 1, 1975 (the "1975 Bonds"), now outstanding in the amount of Five Million Two Hundred Eighty-Five Thousand Dollars (\$5,285,000), its Sewage Works Revenue Bonds of 1982, dated July 1, 1982 (the "1982A Bonds"), now outstanding in the amount of Three Million Four Hundred Thousand Dollars (\$3,400,000), and its Sewer Connection Revenue Bonds of 1982, dated July 1, 1982 (the "1982B Bonds"), now outstanding in the amount of Three Million Nine Hundred Forty Thousand Dollars (\$3,940,000) (collectively, the "Outstanding Bonds"), for the purpose of financing costs of the construction of additions and improvements to the sewage works of the Issuer (the "Utility"), which Outstanding Bonds, as of the date hereof, are outstanding in the aggregate principal amount of \$16,025,000;

B. The 1959 Bonds were issued under and secured pursuant to Special Ordinance No. S-420, passed by the Common Council of the Issuer on October 27, 1959 (the "1959 Ordinance"). The 1961 Bonds were issued under and secured pursuant to Special Ordinance No. S-604, passed by the Common Council of the Issuer on July 11, 1961 (the "1961 Ordinance"). The 1970 Bonds were issued under and secured pursuant to Special Ordinance No. S-416-70, passed by the Common Council of the Issuer on February 24, 1970 (the "1970 Ordinance"). The 1975 Bonds were issued under and secured pursuant to General Ordinance No. G-39-74, passed by the Common Council of the Issuer on December 27, 1974 (the "1975 Ordinance"). The 1982A Bonds were issued under and secured pursuant to Special Ordinance No. S-87-82, passed by the Common Council of the Issuer on May 25, 1982 (the "1982A Ordinance"). The 1982B Bonds were issued under and secured pursuant to Special Ordinance No. S-88-82, passed by the Common Council of the Issuer on May 25, 1982 (the "1982B Ordinance"; collectively with the 1959 Ordinance, the 1961 Ordinance, the 1970 Ordinance, the 1975 Ordinance and the 1982A Ordinance, the "Ordinances");

C. The Issuer has determined that the advance refunding of the Outstanding Bonds is necessary and advisable (i) to restructure the Issuer's debt so that with respect to the 1985 Bonds, as hereinafter defined, the Issuer will have no principal payment obligations for a three-year period and (ii) to effect interest cost savings;

D. Pursuant to Ordinance No. _____ passed on November 26, 1985, (the "Bond Legislation"), the Issuer has authorized the issuance of \$18,096,275.15 Sewage Works Revenue Refunding Bonds (the "1985 Bonds") and the application of a portion of the proceeds thereof for the purpose of, and has authorized, the refunding of the Outstanding Bonds under the terms and conditions described herein; and

E. It is the intent of the Issuer to provide by this Agreement for the application of a portion of the proceeds of the 1985 Bonds and other moneys available to be deposited into the Escrow Fund (as hereinafter defined) and invested in such manner so as to advance refund the 1985 Bonds.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained herein, and in order to provide for the payment, when due, of the Outstanding Bonds and coupons appertaining thereto, the parties hereto covenant, agree and bind themselves as follows:

Section 1. Unless otherwise herein provided and unless the context or use indicates another or different meaning or intent, capitalized words and terms used in this Agreement and not defined herein shall have the same meanings as those words and terms are given in the Bond Legislation, an executed copy of which has been previously received by the Escrow Trustee.

Section 2. In accordance with the provisions of the Bond Legislation and the Ordinances, the Issuer has established with the Escrow Trustee, and orders that there be maintained in a separate deposit account (except when invested as hereinafter provided), a trust fund to be designated "The City of Fort Wayne, Indiana - Sewage Bond Escrow Fund" (the "Escrow Fund"). The Escrow Fund shall be in the custody of the Escrow Trustee and, together with the earnings thereon and investments therein, shall be held in trust for the holders of the Outstanding Bonds and any interest coupons appertaining thereto, and shall be used and applied for, and irrevocably committed (i) to pay the interest on the Outstanding Bonds which is due and payable on each February 1 and August 1 through and including the final maturity date of the Outstanding Bonds and (ii) to pay on the respective maturity dates of the Outstanding Bonds the respective amounts of principal then due.

Section 3. Pursuant to the Bond Legislation, at the time of the delivery of and payment for the 1985 Bonds, the Issuer shall deliver to the Escrow Trustee, in immediately available funds, \$16,591,700 from the proceeds of the 1985 Bonds and the Escrow Trustee shall deposit those moneys in the Escrow Fund.

Section 4. The Issuer and the Escrow Trustee acknowledge that each has received a written report of Coopers & Lybrand to the effect that the moneys and investments in the Escrow Fund, as described in Exhibit A hereof, are sufficient without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom to pay when due the principal of and interest on the Outstanding Bonds.

Section 5. The amounts described in Section 3 shall be immediately utilized by the Escrow Trustee to purchase the aggregate principal amount of direct obligations of the United States of America identified in Exhibit A attached to this Agreement (collectively with the direct obligations of the United States of America described in the following paragraph, the "Securities").

The cash receipts derived from the Securities shall be credited to the Escrow Fund and, to the extent not used on the date received to pay debt service on the Outstanding Bonds, shall be reinvested to the extent possible in direct obligations of the United States of America - State and Local Government Series at a 0.0% yield and maturing on the next debt service payment date for the Outstanding Bonds. Any remaining balance in the Escrow Fund which cannot be so reinvested shall be held by the Escrow Trustee in the form of cash.

Subject to the provisions hereof, the Escrow Fund, including the Securities and the income derived from the Securities, shall be held by the Escrow Trustee in trust to the credit of the Escrow Fund and shall be used by the Escrow Trustee only (i) to pay the interest on the Outstanding Bonds which is due and payable on each February 1 and August 1 through and including the final maturity date of the Outstanding Bonds and (ii) to pay on the respective maturity dates of the Outstanding Bonds the respective amounts of principal then due. Moneys in the Escrow Fund shall be used, and the Escrow Trustee agrees that such moneys will be used, solely for the purposes described herein and the deposit of such moneys in the Escrow Fund in trust for such purpose shall be irrevocable.

Section 6. Subject to the foregoing requirements for the use of the Escrow Fund and the moneys and Securities therein and except as otherwise provided herein, the Issuer and the Escrow Trustee covenant and agree that the Escrow Trustee shall have full and complete control and authority over and with respect to the Escrow Fund and moneys and Securities therein, and that the Issuer shall not exercise any control or authority over and with respect to the Escrow Fund and the moneys and Securities therein. The Escrow Trustee shall not surrender or otherwise attempt to redeem or otherwise negotiate the Securities in the Escrow Fund except as they shall come due as shown on the attached Exhibit A.

Section 7. The Escrow Trustee agrees that it shall, immediately upon payment in full of each issue Outstanding Bonds: deliver to the Issuer a certificate evidencing the release and discharge of the lien created by the Ordinance authorizing that issue of Outstanding Bonds; except for amounts in any funds otherwise required to be paid by the Ordinances or to be held by the Escrow Trustee under the Ordinances or otherwise for the payment of the principal, premium, if any, or interest on the Outstanding Bonds, assign and deliver to the Issuer any cash or investments at the time subject to the pledge or lien created by the Ordinance authorizing that issue of Outstanding Bonds which then may be in its possession; and cause to be filed all instruments or documents necessary to cancel and discharge the lien created by the Ordinance authorizing that issue of Outstanding Bonds, including, if required, UCC termination statements.

Section 8. The trust and fiduciary relationship created by this Agreement is irrevocable and intended for the benefit of the holders from time to time of the Outstanding Bonds and the interest coupons appertaining thereto. The moneys realized from the interest on and principal of the Securities in the Escrow Fund are hereby dedicated to and pledged for the payment of the principal of and interest on the Outstanding Bonds. Such moneys are subject to the lien of such pledge, which shall be valid and binding against all parties having claims of any kind against (i) the Issuer, (ii) the Escrow Trustee, or (iii) the Registrar for the 1985 Bonds, and such moneys and Securities shall be used solely for the purposes stated herein. This Agreement and the lien of such pledge shall remain in full force and effect until the terms of this Agreement have been satisfied and the moneys and the Securities in the Escrow Fund have been applied as contemplated herein.

Section 9. After payment to the paying agents for the Outstanding Bonds of moneys sufficient to pay in full all interest on and the principal of the Outstanding Bonds, the Escrow Trustee shall transfer all remaining moneys in the Escrow Fund to the Issuer.

Any moneys paid to said paying agents with respect to any Outstanding Bonds which remain unclaimed by the holder of such Outstanding Bonds and appurtenant coupons not presented for payment for a period of four years after the principal of each such Outstanding Bonds has become due or payable (whether at maturity or upon call for redemption or by declaration as provided in the Ordinances), shall be free of any trust or lien under this Agreement in favor of the holders of the Outstanding Bonds, and shall be paid to the Issuer, pursuant to the Ordinances and this written direction of the Issuer.

This Agreement shall terminate at such time as all moneys in the Escrow Fund have been paid out as herein provided. Such termination shall not terminate the Issuer's rights or the paying agent's obligations under this Agreement.

Section 10. The Escrow Trustee hereby acknowledges and agrees that provision has been made for the payment of its fees and charges satisfactory to it, in its capacity as Escrow Trustee under this Agreement. The Escrow Trustee further acknowledges and agrees that it shall not have any lien whatsoever upon any of the cash or Securities in the Escrow Fund for the payment of such proper fees and expenses.

Section 11. The Escrow Trustee hereunder may at any time resign and be discharged from the duties and obligations hereby created, in which event any unearned fees and charges previously paid to it shall be paid to the Issuer, or may be removed by the Issuer.

In the event the Escrow Trustee hereunder shall resign or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case the Escrow Trustee shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor Escrow Trustee may be appointed by the Issuer.

In the event that no appointment of a successor Escrow Trustee or a temporary successor Escrow Trustee shall have been made pursuant to the foregoing provisions of this Section 11 within sixty (60) days after written notice of resignation of the Escrow Trustee has been given to the Issuer and the holder of any of the Outstanding Bonds or any retiring Escrow Trustee may apply to any court of competent jurisdiction for the appointment of a successor Escrow Trustee, and such court may thereupon, after such notice, if any, as it shall deem proper, appoint a successor Escrow Trustee.

Every successor Escrow Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and to the Issuer, an instrument in writing accepting such appointment hereunder, and thereupon, such successor Escrow Trustee, without any further act, deed or conveyance, shall become fully vested with all the rights, immunities, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of such successor Escrow Trustee or the Issuer, execute, acknowledge and deliver an instrument transferring to such successor Escrow Trustee all the estates, properties, rights, powers and trust of such predecessor hereunder; and every predecessor Escrow Trustee shall deliver all securities and monies held by it to its successor. Should any transfer, assignment or instrument in writing from the Issuer be required by any successor Escrow Trustee for more fully and certainly vesting in such successor Escrow Trustee the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Escrow Trustee, any such transfer, assignment and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer.

Any corporation into which the Escrow Trustee, or any successor to it in the trusts created by this Agreement, may be merged or converted or with which it or any successor to it may be consolidated, or any corporation resulting from any merger, conversion, consolidation or tax-free reorganization to which the Escrow Trustee or any successor to it shall be a party shall, if satisfactory to the Issuer, be the successor Escrow Trustee under this Agreement without the execution or filing of any paper or any other act on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 12. The duties and obligations of the Escrow Trustee shall be determined solely by the expressed provisions of this Agreement as the same may be amended, from time to time, with the consent of the parties to this Agreement.

Section 13. If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 14. This Agreement shall inure to the benefit of and shall be binding upon the Issuer and the Escrow Trustee, the holders of the Outstanding Bonds, and their respective successors and assigns, all subject to the provisions of this Agreement.

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Issuer and the Escrow Trustee, have caused this Agreement to be executed in their respective names and capacities by their duly authorized officers, all as of the day and the year first written above.

THE CITY OF FORT WAYNE, INDIANA Issuer SUMMIT BANK, Escrow Trustee

By: _____
Mayor

By: _____
Title:

And By: _____
City Controller

EXHIBIT A

United States Treasury Obligations - State and Local Government
Series held in the Escrow Fund:

<u>Obligation</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Certificates of Indebtedness	\$ 533,300	7.255%	February 1, 1986
	567,100	7.593	August 1, 1986
Notes	572,800	8.201	August 1, 1987
	621,800	8.699	August 1, 1988
	675,500	8.929	August 1, 1989
	742,600	9.904	August 1, 1990
	816,600	9.274	August 1, 1991
	897,400	9.454	August 1, 1992
	989,200	9.550	August 1, 1993
	8,500	9.580	February 1, 1994
	1,078,900	9.610	August 1, 1994
	19,800	9.640	February 1, 1995
	1,180,700	9.670	August 1, 1995
Bonds	32,800	9.700	February 1, 1996
	1,304,300	9.730	August 1, 1996
	40,600	9.754	February 1, 1997
	1,402,500	9.780	August 1, 1997
	54,300	9.804	February 1, 1998
	1,541,800	9.830	August 1, 1998
	40,100	9.854	February 1, 1999
	1,737,000	9.880	August 1, 1999
	21,600	9.900	February 1, 2000
	1,712,500	9.924	August 1, 2000

Read the first time in full and on motion by _____, seconded by _____, and duly adopted, read the second time by title and referred to the Committee _____ (and the City Plan Commission for recommendation) and Public Hearing to be held after due legal notice, at the Council Chambers, City-County Building, Fort Wayne, Indiana, on _____, the _____ day of _____, 19____, at _____ o'clock _____.M., E.S.T.

DATE: _____
SANDRA R. KENNEDY - CITY CLERK

Read the third time in full and on motion by _____, seconded by _____, and duly adopted, placed on its passage. PASSED (LOST) by the following vote:

	<u>AYES</u>	<u>NAYS</u>	<u>ABSTAINED</u>	<u>ABSENT</u>	<u>TO-WIT</u>
<u>TOTAL VOTES</u>	_____	_____	_____	_____	_____
<u>BRADBURY</u>	_____	_____	_____	_____	_____
<u>BURNS</u>	_____	_____	_____	_____	_____
<u>EISBART</u>	_____	_____	_____	_____	_____
<u>GiaQUINTA</u>	_____	_____	_____	_____	_____
<u>HENRY</u>	_____	_____	_____	_____	_____
<u>SCHMIDT</u>	_____	_____	_____	_____	_____
<u>REDD</u>	_____	_____	_____	_____	_____
<u>STIER</u>	_____	_____	_____	_____	_____
<u>TALARICO</u>	_____	_____	_____	_____	_____

DATE: _____
SANDRA R. KENNEDY - CITY CLERK

Passed and adopted by the Common Council of the City of Fort Wayne, Indiana, as (ZONING MAP) (GENERAL) (ANNEXATION) (SPECIAL) (APPROPRIATION) ORDINANCE (RESOLUTION) NO. _____ on the _____ day of _____, 1985

ATTEST: (SEAL)

SANDRA R. KENNEDY - CITY CLERK PRESIDING OFFICER

Presented by me to the Mayor of the City of Fort Wayne, Indiana, on the _____ day of _____, 1985, at the hour of _____ o'clock _____.M., E.S.T.

SANDRA R. KENNEDY - CITY CLERK

Approved and signed by me this _____ day of _____, 1985, at the hour of _____ o'clock _____.M., E.S.T.

1 BILL NO. S-85-11-36

2 SPECIAL ORDINANCE NO. S-

3 AN ORDINANCE APPROVING A CONTRACT OF PURCHASE BETWEEN
4 THE CITY OF FORT WAYNE, INDIANA AND CRANSTON SECURITIES COMPANY
5 UNDER WHICH CRANSTON SECURITIES COMPANY WILL PURCHASE AND
6 THE CITY WILL SELL \$17,345,761.55 IN SEWAGE WORKS REFUNDING
7 BONDS, AUTHORIZING THE EXECUTION OF DOCUMENTS RELATING
8 THERETO AND OTHER MATTERS CONNECTED THEREWITH

9 WHEREAS, the City of Fort Wayne, Indiana (the "City") has
10 heretofore adopted an ordinance concerning the issuance of Junior
11 Revenue Refunding Bonds in an amount estimated to be \$17,345,761.55;
12 and

13 WHEREAS, the City has received a proposed Contract Of
14 Purchase from Cranston Securities Company, which contract offers to
15 purchase the entire issue of said Junior Revenue Refunding Bonds; and

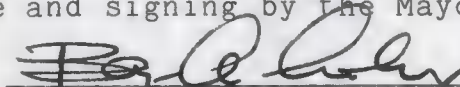
16 WHEREAS, the Common Council finds that it is in the best
17 interests of the City to approve said Contract of Purchase and to
18 authorize the execution of said contract, together with such other
19 documents that are necessary to conclude said transaction;

20 NOW THEREFORE, BE IT ORDAINED by the Common Council of the
21 City of Fort Wayne, Indiana that:

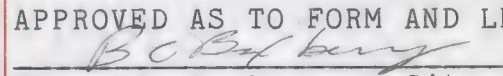
22 SECTION 1. The Common Council hereby determines that it is
23 in the public interest and in the best interests of the City to
24 enter into the Contract of Purchase with Cranston Securities
25 Company, a copy of which contract is attached hereto, and is hereby
26 expressly made a part hereof by reference, as Exhibit "A".

27 SECTION 2. The Mayor and/or the Clerk are authorized to
28 execute the attached Contract of Purchase, an Official Statement,
29 and such other documents as are necessary for the issuance and sale by
30 the City of its Sewage Works Refunding Bonds referred to herein.

31 SECTION 3. This Ordinance shall be in full force and
32 effect from and after its passage and signing by the Mayor.


COUNCILMAN

APPROVED AS TO FORM AND LEGALITY.


Bruce O. Boxberger, City Attorney
Dated this 18th day of Nov, 1985

H&M Doc. No. 3089D
Ft. Wayne Sewer BPC
Draft No. 3, 11/18/85
LJD/efg

\$17,715,000*
CITY OF FORT WAYNE
SEWAGE WORKS REVENUE REFUNDING BONDS

CONTRACT OF PURCHASE

November __, 1985

City of Fort Wayne, Indiana
One Main Street
Fort Wayne, Indiana 46802

Dear Ladies and Gentlemen:

The undersigned, as Purchaser, (herein called the "Underwriter"), hereby offers to enter into this Contract of Purchase with you, the City of Fort Wayne, Indiana (the "City"), for the purchase by the Underwriter and sale by the City of the Bonds described below. The Bonds are being issued pursuant to Indiana Code Chapter 36-9-23 (the "Sewer Act") and Chapter 5-1-5 (the "Refunding Act") (collectively, the "Acts"). This offer is made subject to acceptance by the City at or prior to 5:00 p.m., Fort Wayne time, on the date hereof, and upon such acceptance this Contract of Purchase shall be in full force and effect in accordance with its terms and shall be binding upon the City and the Underwriter. If not so accepted, this Contract of Purchase will be subject to withdrawal by the Underwriter upon written notice delivered to the City at any time prior to the acceptance hereof by the City.

1. **Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations herein set forth, the Underwriter hereby agrees to purchase from the City and the City hereby agrees to sell to the Underwriter all (but not less than all) of the \$17,715,000* aggregate principal amount of Sewage Works Revenue Refunding Bonds (the "Bonds"), of the City, to be dated November 1, 1985 (date of issuance for Capital Appreciation Bonds and Bond Income Growth Securities), at the purchase price of \$16,750,000* plus interest on the Current Interest Bonds from November 1, 1985, to the date of Closing referred to herein. The Bonds shall be as described in, and shall be issued and secured under and pursuant to, the Ordinance No. __ adopted by the Common Council of the City on November __, 1985 and naming Summit Bank, Fort Wayne, Indiana, as Paying Agents. The Bonds shall mature on the dates and in the amount and shall bear interest at the respective rates set forth on the cover page of the Official Statement of the City, dated November __, 1985, (the "Official Statement") and shall provide the funds for the refunding of \$640,000 "Sewage Works Improvement Revenue Bonds" dated November 1, 1959; \$930,000 "Sewage Works Improvement Revenue

*Preliminary; subject to change.

Bonds of 1961" dated August 1, 1961; \$1,830,000 "Sewage Works Improvement Revenue Bonds of 1970" dated April 1, 1970; \$5,285,000 "Sewage Works Improvement Bonds of 1975" dated January 1, 1975; \$3,400,000 "Sewage Works Revenue Bonds of 1982" dated July 1, 1982; and \$3,940,000 "Sewage Connection Revenue Bonds of 1982" dated July 1, 1982 (the "Outstanding Bonds"). The Underwriter agrees to make a bona-fide public offering of the Bonds at prices (or yields not below) not in excess of the initial offering prices (or yields) set forth on the cover page of the Official Statement, plus interest accrued thereon to the date of Closing.

2. **Good Faith Deposit.** We herewith deliver to you a certified or bank check payable to the order of the City in Clearing House funds, in an amount equal to 1% of the aggregate principal amount of the Bonds, as security for the performance by the Underwriter of its obligation to accept and pay for the Bonds at the Closing in accordance with the provisions of this Contract of Purchase (the "Deposit"). Concurrently with the delivery of and payment for the Bonds at the Closing, the amount of the Deposit shall be applied by the City in partial payment of the purchase price of the Bonds regardless of any gains or losses from the investment of the Deposit. The interest, if any, earned on such sum, shall be retained for the exclusive benefit of the City. In the event the City does not accept this offer, or upon the City's failure to deliver the Bonds at the Closing, or if the City shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Contract of Purchase, or if such obligations shall be terminated for any reason permitted by this Contract of Purchase, such Deposit shall be immediately returned to us and neither the City nor the Underwriter shall have any further liability hereunder except that the respective obligations of the City and the Underwriter set forth in Section B hereof shall continue in full force and effect. In the event that the Underwriter fails (other than for a reason permitted under this Contract of Purchase) to accept and pay for the Bonds at the Closing, such Deposit shall be retained by the City as and for full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriter. The Underwriter understands that in such event the actual damages of the City may be less than such amount. Accordingly, the Underwriter hereby waives any right to claim that the actual damages of the City are less than such amount and the approval by the City of this offer shall constitute a waiver of any right the City may have to additional damages from the Underwriter.

3. **Official Statement and Other Documents.** Concurrently with your acceptance hereof you shall deliver to us six certified or executed copies of:

- I. (a) the Official Statement of the City dated November __, 1985, relating to the Bonds executed on behalf of the City as provided therein;
- (b) the Ordinance;
- (c) the Bond Registrar Agreement dated as of November 1, 1985 (the "Bond Registrar Agreement"), by and between the City and the Summit Bank, Fort Wayne, Indiana;

- (d) the Escrow Agreement dated as of November 1, 1985 (the "Escrow Agreement"), by and between the City and the Summit Bank, Fort Wayne, Indiana;

II. a letter from Coopers & Lybrand in form and substance satisfactory to the Underwriter.

The City authorizes any and all of this material, including specifically the Official Statement, and the information therein contained, to be used in connection with the original public offering and sale of the Bonds and hereby confirm their previous consent to the use by the Underwriter of copies of the Preliminary Official Statement relating to the Bonds, dated November __, 1985 (the "Preliminary Official Statement"), for distribution to prospective underwriters and investors in connection with the original public offering of the Bonds.

4. **Representations, Warranties and Covenants.** The City represents and warrants to and agrees with each of the Underwriter that:

(a) The Preliminary Official Statement as of the date thereof was true, complete and correct in all material respects and did not omit any material fact necessary to make the Preliminary Official Statement, or the statements and information therein contained, in light of the circumstances under which they were made, not misleading.

(b) The Official Statement as of the date hereof is and, as it may be supplemented or amended pursuant to Paragraph 8, and as of the date of Closing will be true, complete and correct in all material respects and will not omit any material fact necessary to make the statements and information therein contained, in light of the circumstances under which they were made, not misleading.

(c) Between the time of your acceptance hereof and the Closing, the City will not have executed any bonds, notes or other obligations for borrowed money which may be payable from or secured by the revenues of the Sewage Works of the City (the "Sewage Works").

(d) Both at the time of your acceptance hereof and at the time of the Closing, the City will be a body corporate and politic constituting a de jure municipal corporation, political subdivision of the State of Indiana (the "State"), with the powers and authority set forth in the Acts, and as such has the legal right to execute and deliver this Contract of Purchase; to refund the Outstanding Bonds and to deposit funds therefor with Summit Bank, as Escrow Trustee (the "Escrow Trustee") pursuant to the Escrow Agreement; to apply a portion of the proceeds of the sale of the Bonds to the payment of principal of and interest on the Outstanding Bonds; to adopt, execute and deliver the Ordinance, the Bond Registrar Agreement and the Escrow Agreement and to engage in the transactions set forth and contemplated in the Ordinance, the Agreement, the Escrow Agreement, and in the Official Statement; and to issue, sell and deliver the Bonds to the Underwriter as provided herein.

(e) When delivered to and paid for by us at the Closing in accordance with the provisions of this Contract of Purchase, the Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and binding obligations of the City in conformity with the Ordinance and the Acts.

(f) The execution and delivery of this Contract of Purchase, the Ordinance, the Bonds, the Bond Registrar Agreement and the Escrow Agreement, and compliance with the provisions thereof, do not and will not conflict with or constitute a breach of or default under any law, administrative regulation, court order, decree, agreement or other instrument to which the City is subject.

(g) All approvals, consents, and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction in the matter, which would constitute a condition precedent to the lawful performance by the City of its obligations hereunder, under the Ordinance and under the Bond Registrar Agreement, have been obtained and are in full force and effect.

(h) The Ordinance, the Bond Registrar Agreement and the Escrow Agreement when executed and delivered by the City will, assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding obligations of the City enforceable in accordance with their terms, subject to any applicable bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted and the application of general principles of equity.

(i) No action, suit, proceeding, inquiry or investigation at law or in equity is pending or, to the knowledge of the City, threatened (i) seeking to restrain or enjoin the issuance or delivery of any of the Bonds or the application of proceeds of the Bonds as provided in the Acts, the Ordinance, the Bond Registrar Agreement, the Escrow Agreement, or the collection of revenues pledged under the foregoing; (ii) in any way contesting or affecting any authority for the issuance of the Bonds, or the validity of the Bonds, the Ordinance, the Bond Registrar Agreement, the Escrow Agreement, or this Contract of Purchase; (iii) in any way contesting the existence or powers of the City or of any officer thereof; (iv) which may materially adversely affect the assets, liabilities, revenues or expenditures of the City; or (v) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(j) Both at the time of acceptance hereof and at the date of the Closing, there shall not have been any material adverse changes in the assets, liabilities, revenues or expenditures of the Water Pollution Control Utility of the City.

(k) As of the time of acceptance hereof and as of the date of the Closing, except as disclosed in the Official Statement, the City is not and will not be in breach of or in default under the Constitution of the State or any applicable law or administrative regulation of the State or the United States or any other governmental authority relating to the City or any applicable judgment, decision or decree or any bond, indenture, note, resolution, ordinance, agreement or other instrument relating to the City to which the City is a party or is otherwise subject, the consequence of which or the correction of which materially and adversely affects the revenues, expenditures, liabilities and assets of the City as of such times; and, as of such times and except as disclosed in the Official Statement, the execution and delivery of this Contract of Purchase, the Escrow Agreement, the Bond Registrar Agreement and the Bonds and the execution by the City of the Ordinance and compliance with the provisions of each thereof is within the corporate powers of the City under the Acts and does not and will not conflict with or constitute a material breach of or default under the Constitution of the State or any applicable law or administrative regulation of the State or the United States or any other governmental authority having jurisdiction of the premises or any applicable judgment, decision or decree or any bond, indenture, note, resolution, ordinance, agreement or other instrument to which the City is a party or is otherwise subject.

5. **Closing.** At 10:00 A.M., Fort Wayne time, on December __, 1985, or at such other time or date as we mutually agree upon (the "Closing"), the City will deliver or cause to be delivered against safekeeping receipt to us, at the office of Security Pacific Clearing and Services Corporation, Two Rector Street, New York, New York, or at such other place as we may mutually agree upon, the Bonds in definitive fully registered form in denomination of \$5,000 principal amount, conversion amount or maturity amount as the case may be or a multiple thereof, duly executed and authenticated, together with the other documents hereinafter mentioned; and the Underwriter will accept such delivery and pay the purchase price thereof (less the amount of the Deposit referred to in Section 3 hereof) in New York Federal funds payable to the order of The City of Fort Wayne, Indiana or the order of such person as the City shall direct. The Bonds will be made available to us for checking and packaging at least two full business days prior to the Closing, and Bonds which are to be held by Depository Trust Corporation ("DTC") may be delivered to DTC one full business day prior to the Closing against safekeeping receipt.

6. **Conditions Precedent.** The Underwriter has entered into this Contract of Purchase in reliance upon the representations and agreements of the City contained herein and the performance by the City of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter's obligations under this Contract of Purchase are and shall be subject to the following further conditions:

(A) The representations of the City contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the date of the Closing with the same effect as if made on the date of the Closing.

(B) At the time of the Closing, the Official Statement, the Ordinance, the Bond Registrar Agreement and the Escrow Agreement shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by us; and you shall have duly adopted and there shall be in full force and effect such additional ordinances as, in the opinion of either Squire, Sanders & Dempsey, Bond Counsel, or Haynes & Miller, Washington, D.C., Counsel to the Underwriter, shall be necessary in connection with the transactions contemplated hereby.

(C) The Underwriter may terminate this Contract of Purchase by notification in writing or by telegram to the City if at any time subsequent to the date hereof and at or prior to the Closing: (i) the City is unable to deliver sufficient legally available moneys for deposit in the Escrow Fund created under the Escrow Agreement, which moneys, together with the earnings thereon, and the SLGS (as defined in the Official Statement) purchased with Bond proceeds, will be sufficient to pay the principal and interest on the Outstanding Bonds; (ii) legislation shall be enacted by, or favorably reported out of committee of either House of the Congress of the United States, or a decision by a court of the United States, or a Tax Court of the United States, shall be rendered, or a regulation or ruling shall be issued or proposed by or on behalf of the Treasury Department, the Internal Revenue Service of the United States, or any other agency of the Federal government, with respect to Federal taxation upon revenues or other income of the general character to be derived by the City or upon interest received on obligations of the general character of the Bonds, which, in the reasonable judgment of the Underwriter, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds; or (iii) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Bonds is in violation of any provisions of the Securities Act of 1933 or of the Trust Indenture Act of 1939; or (iv) in the Congress of the United States legislation shall be enacted by or a bill shall be favorably reported out of committee of either House, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any other agency of the Federal government shall be made, to the effect that securities of the City or of any similar public body are not exempt from the registration, qualification or other requirements of the Securities Act of 1933 or the Trust Indenture Act of 1939; or (v) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency; or (vi) any legislation, ordinance, order, rule or regulation shall be introduced in, or be enacted or adopted by, any governmental body, department or agency in the State, or a decision by any court of competent jurisdiction within the State shall be rendered which, in our reasonable judgment, materially adversely affects the market price of the Bonds; or (vii) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance or sale of the Bonds or in any way contesting or affecting any authority for or the validity of the Bonds or of any provisions made or authorized for their payment or the existence or powers of the City; or (viii) in our reasonable judgment, the market price of the Bonds is adversely affected because (a) additional material restrictions not in force as of the effective date hereof shall have

been imposed upon trading in a securities exchange, (b) the New York Stock Exchange or other national securities exchange, or any governmental authority shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirement of, underwriters, or (c) there shall have occurred a default with respect to the debt obligations of, or the institution of proceedings under the Federal bankruptcy laws by or against (y) the State or any agency, instrumentality, authority, city or municipality thereof, or (z) any state, city, municipality or authority located in the United States of America the effect of such default or proceedings being such as would cause a major disruption in the municipal bond market, or (ix) there shall have occurred a general suspension of trading on the New York Stock Exchange; or (x) a general banking moratorium shall have been declared by the United States, State of New York or State of Indiana authorities; or (xi) an event shall occur which (a) makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Official Statement or which is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect and (b) in the reasonable judgment of the Underwriter, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices, by the Underwriter of the Bonds.

(D) The City is not and at the date of Closing shall not be in default in the payment of principal or interest on any indebtedness on which either of them is obligated.

(E) At or prior to the Closing, the Underwriter shall have received the following documents (in each case with such changes as the Underwriter shall approve):

(1) The approving opinion, dated the date of the closing, of Squire, Sanders & Dempsey, in substantially the form attached hereto as Exhibit __; together with a letter addressed to the Underwriter to the effect that said opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to the Underwriter;

(2) A supplemental opinion addressed to the Underwriter of Squire, Sanders & Dempsey dated the date of the Closing, to the effect that (i) the City is a body corporate and politic constituting a de jure municipal corporation and political subdivision of the State with the powers and authority set forth in the Acts, duly organized and validly existing as such as of the Closing; (ii) the City is a political subdivision of the State, duly created and validly existing as such as of the Closing; (iii) in reliance on the opinion of counsel to the City, the execution and delivery of this Contract of Purchase, the Ordinance, the Bonds, the Escrow Agreement and the Bond Registrar Agreement, and compliance with the provisions thereof, do not conflict with or constitute a breach of or default under any law or administrative regulation, or, insofar as is known to such counsel, under any decree, agreement or other instrument to which the City is subject; (iv) in reliance on the opinion of counsel to the City, all approvals, consents and orders of any governmental authority

or agency having jurisdiction in the matter which would constitute a condition precedent to the lawful performance by the City of its obligations under this Contract of Purchase, the Ordinance, the Escrow Agreement, the Bonds and the Bond Registrar Agreement have been obtained and are in full force and effect; (v) in reliance on the opinion of counsel to the City, this Contract of Purchase, the Ordinance, the Escrow Agreement and the Bond Registrar Agreement have been duly authorized, executed and delivered by, and constitute binding obligations, enforceable in accordance with their terms, of the City; (vi) this Contract of Purchase, the Ordinance, the Escrow Agreement and the Bond Registrar Agreement have been duly authorized, executed and delivered by, and constitute binding obligations, enforceable in accordance with their terms, of the City and the City is required to transfer to the credit of the special fund for Sewage Works Revenues, as defined in the Ordinance, amounts collected as revenues from the sewage works; (vii) the Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, and the Ordinance is exempt from qualification under the Trust Indenture Act of 1939, as amended; (viii) the evidences of an ownership interest in specified interest or principal payments on United States Treasury Obligations constitute "Government Obligations" as defined in the Ordinance; (ix) the descriptions of the Bonds, the Ordinance and the information set forth under the captions "Introduction", "The Bonds", "The Ordinance", "The Refunding Plan" and "Tax Exemption and Validity" contained in the Official Statement, insofar as such statements constitute a summary of the provisions of the documents referred to therein, fairly present the information purported to be shown; and (x) based upon their participation in the preparation of the Official Statement as counsel for the Underwriter and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, nothing has come to their attention which would lead them to believe that the remainder of the Official Statement (except as to financial information contained therein regarding the City and the Sewage Works and Financial Statements included in Appendices A and B as to which counsel need express no opinion) contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(3) (a) An opinion, dated the date of the Closing, and addressed to the Underwriter, of Haynes & Miller to the effect that (a) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended, and (b) based upon their participation in the preparation of the Official Statement as counsel for the Underwriter and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, no facts have come to their attention which would lead them to believe that the Official Statement (except as to financial information contained therein regarding the City and the Sewage Works and the Financial Statements included in Appendices A and B, as to which no view need be expressed), as of its date and as of the date of the Closing, contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(4) A certificate, dated the date of the Closing, executed by duly authorized officers of the City certifying, among other things, that it is not expected that the proceeds of the Bonds will be used in any manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 103(c) of the Code, and applicable Treasury Regulations, rulings of the Internal Revenue Service and court decisions;

(5) A certificate, dated the date of Closing, of an authorized officer of the City to the effect that (i) no litigation is pending or threatened (either in Federal, state or local courts) or administrative action is threatened or pending to restrain or enjoin the issuance, execution, delivery or sale of the Bonds or in any manner questioning the proceedings or authority for the issuance of them or in any way contesting or affecting directly or indirectly the authority for or validity of the Bonds or of any provisions made or authorized for their payment or contesting the existence or powers of the City or the title of any of the members of Common Council or officers to their respective offices (but in lieu of such certificate the undersigned may accept certificates by Bond Counsel and the City's counsel that in their opinion the issues raised by any such pending or threatened litigation are without substance or that the contentions of any plaintiffs therein are without merit) and (ii) the representations of the City herein contained are true and accurate as of the time of the Closing and that the City has no knowledge or reason to believe that the information contained in the Official Statement as of the date of Closing is not true, complete or correct in all material respects nor omits any statement or information which is necessary to make the statements and information contained therein not misleading in any material respect;

(6) A certificate, dated the date of the Closing, of an authorized officer of the Financial Consultant to the City to the effect that as of its date and as of the date of Closing (i) the information set forth under the captions "The Water Pollution Control Utility" including the finance information therein, and Appendices A, C and D contained in the Official Statement is true and correct, (ii) the Official Statement does not contain an untrue statement of a material fact and does not omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(7) A certificate, dated the date of the Closing, of the principal financial officer of the City, to the effect that (a) the financial information under the heading "Water Pollution Control Utility" and contained in Appendices C & D are to the best of her knowledge true and correct, (b) the representations and warranties of the City herein contained are true and accurate as of the time of the Closing, and (c) nothing has come to her attention to cause her to believe that any additional financial information is required to be set forth in the Official Statement to make the information contained therein not misleading in any material respect;

(8) A certificate of the Paying Agents and Bond Registrar, dated the date of the Closing, accepting the trust and responsibilities established pursuant to the Ordinance and certifying that the Ordinance is in full force and effect;

(9) Four executed or certified copies of the Ordinance, the Bond Registrar Agreement, the Acts and the Escrow Agreement;

(10) Evidence of ratings on the Bonds;

(11) Evidence of the approval of the Common Council respecting the issuance of the Bonds;

(12) A letter from Coopers & Lybrand with respect to the financial information concerning the Water Pollution Control Utility furnished by it for use in the Preliminary Official Statement in a form and substance satisfactory to us.

(13) An additional letter from Coopers & Lybrand, independent accountants, addressed to the City, the Underwriter and Bond Counsel confirming the accuracy of (a) the mathematical computations of the adequacy of the maturing principal amounts of the direct obligations of the United States government and other amounts provided therefor in the Escrow Fund established pursuant to the Escrow Agreement (as defined in the Official Statement) and interest earned thereon to pay all of the principal of and interest on the Outstanding Bonds as such principal and interest become due and payable and (b) the computations of actuarial yield supporting the opinion of Bond Counsel that the Bonds are not "arbitrage bonds" under Section 103(c) of the Internal Revenue Code of 1954, as amended; and

(14) Evidence satisfactory to the Underwriter, at the time of Closing the City has received from Bond Investors Guaranty its municipal bond insurance policy insuring payment of the principal of and interest on the Bonds, when due, as described in the Official Statement, which shall be in effect as of the Closing Date.

(15) The Underwriter shall have received an opinion of counsel to Bond Investors Guaranty to the effect that: (i) its municipal bond insurance policy with respect to the Bonds constitutes a legal, valid and binding obligation of Bond Investors Guaranty, enforceable in accordance with its terms, except as may be limited by applicable laws affecting the enforcement of creditors' rights generally and by general principles of equity, (ii) it is a validly organized and existing corporation under Illinois law, is authorized to do business in Indiana and is in good standing under the applicable state insurance laws and regulations, (iii) the statements contained in the Official statement under the heading "Bond Insurance," insofar as such statements constitute a summary of the matters referred to therein, accurately reflect and fairly present the information purported to be shown and, insofar as such statements purport to describe Bond Investors Guaranty, fairly and accurately describe Bond Investors Guaranty; (iv) that the offering and sale of Bonds in the jurisdictions identified in the Blue Sky Memorandum furnished to the Underwriter does

not require any further action by the Underwriter than that identified in such memorandum; and (v) with respect to such other matters as the Underwriter may reasonably require.

(16) An opinion of Bond Counsel addressed to Bond Investors Guaranty to the effect that Bond Investors Guaranty may rely on the approving opinion of Bond counsel as if such opinion were addressed to Bond Investors Guaranty.

(17) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, counsel for the Underwriter, or Bond Counsel may reasonably request to evidence compliance by the City with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the City herein contained and the due performance or satisfaction by the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the City.

If the City shall be unable for any reason to satisfy the conditions of the Underwriter's obligations contained in this Contract of Purchase or if the Underwriter's obligation shall be terminated for any reason permitted by this Contract of Purchase this Contract of Purchase shall terminate and neither the Underwriter nor the City shall have any further obligations of liability hereunder, except that the Deposit referred to in Section 2 hereof shall be returned to the Underwriter and the respective obligations of the City and the Underwriter set forth in Section 9 hereof shall continue in full force and effect.

7. **Amendments to Official Statement.** After the date of the Official Statement and so long as the Underwriter, or dealers, if any, participating in the original distribution of the Bonds are offering Bonds which constitute the whole or part of their unsold participations, (a) the City will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter shall reasonably object in writing and (b) during such period or for 45 days from the date of the Closing, whichever is earlier, at the City's expense, if any event relating to or affecting the Official Statement shall occur as a result of which, in the reasonable judgment of the Managers, it is necessary to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the City will forthwith prepare and furnish to the Underwriter a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriter) which will amend or supplement the Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading. For the purposes of, and during the period of time provided by this section, the City will furnish such information with respect to itself as the Underwriter may from time to time reasonably request.

8. **Expenses.** The City will pay or cause to be paid from the proceeds of the Bonds or other funds available to it all expenses incident to the performance of its obligations under this Contract of Purchase and the

fulfillment of the conditions imposed hereunder, including but not limited to the items set forth as Schedule I hereto as follows: the cost of any municipal bond insurance policy obtained in connection with the issuance of the Bonds, the cost of verification of cash flows and proof of yield, the fees and expenses of Bond Counsel, the Registrar's authentication and acceptance fee, the fee of the Registrar and Paying Agents, the cost of printing or engraving and mailing or delivering the Bonds, the Preliminary Official Statement, the Official Statement and any amendments or supplements thereto, in reasonable quantities, and all other documents prepared in connection with the transactions contemplated by this Contract of Purchase, the fees and disbursements of the Paying Agents in connection with the issuance of the Bonds and authentication and acceptance fee of the Registrar fee, the fees and expenses of Bond Counsel, and of counsel for the City, any fees charged by investment rating agencies for the rating of the Bonds and the fees and expenses of any auditors, consultants or others retained by the City in connection with the transaction contemplated herein.

The Underwriter will pay or cause to be paid the cost of preparation and printing any amendment or supplement to the Official Statement resulting from a determination by the Underwriter to change the initial offering prices or yields set forth in the Official Statement, the costs of all advertising ordered by the Underwriter and all costs in connection with qualification of the Bonds for sale and the determination of their eligibility for investment under the Blue Sky and securities laws and legal investment laws of the several states, the fees and disbursements of counsel for the Underwriter, Underwriter's computer charges and the charge of the CUSIP Service Bureau for the assignment of CUSIP numbers for the Bonds and all other expenses incurred by the Underwriter in connection with the offering and sale of the Bonds.

9. **Qualification of Securities.** The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate and to provide for the continuance of such qualification; provided, however, that except with respect to the State of Ohio the City will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

10. **Notices.** Any notice or other communication to be given to you under this Contract of Purchase may be given by delivering the same in writing to your respective addresses set forth above, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to Cranston Securities Company, Cranston Center 1501 Neil Avenue, Columbus, Ohio 43201, Attention: Messrs. John Adams and James Bowman.

11. **Benefit.** This Contract of Purchase is made solely for the benefit of the City and the Underwriter (including their successors or assigns) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. All representations and agreements of the City contained in this Contract of Purchase shall remain operative and in full force and effect, regardless of (a) delivery of and payment for the Bonds hereunder, and (b) any termination of this Contract of Purchase.

12. **Approval.** Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the City hereunder and the performance of any and all conditions contained herein for the benefit of the undersigned may be waived by the undersigned in their sole discretion, and the approval of the Underwriter when required hereunder shall be in writing signed by Cranston Securities Company and delivered to you.

13. **Governing Law.** This Contract of Purchase shall be governed by the laws of the State of Indiana.

Very truly yours,

Cranston Securities Company

By: _____
President

CITY OF FORT WAYNE, INDIANA

By: _____

BILL NO. S-85-11-36

REPORT OF THE COMMITTEE ON FINANCE

WE, YOUR COMMITTEE ON FINANCE TO WHOM WAS
REFERRED AN (ORDINANCE) ~~XXXXXXXXXX~~ (RESOLUTION) 18 096 245-15 APPROVING A CONTRACT
OF PURCHASE BETWEEN THE CITY OF FORT WAYNE, INDIANA AND CRANSTON
SECURITIES COMPANY UNDER WHICH CRANSTON SECURITIES COMPANY WILL
PURCHASE AND THE CITY WILL SELL \$17,345,761.55 IN SEWAGE WORKS
REFUNDING BONDS, AUTHORIZING THE EXECUTION OF DOCUMENTS RELATING
THERE TO AND OTHER MATTERS CONNECTED THEREWITH

HAVE HAD SAID (ORDINANCE) ~~XXXXXXXXXX~~ (RESOLUTION) UNDER CONSIDERATION AND BEG
LEAVE TO REPORT BACK TO THE COMMON COUNCIL THAT SAID (ORDINANCE)
(RESOLUTION) ~~XXXXXXXXXX~~ ☒ DO PASS ☐ DO NOT PASS ☐ WITHDRAWN
YES NO

BEN A. EISBART
CHAIRMAN

JANET G. BRADBURY
VICE CHAIRWOMAN

SAMUEL J. TALARICO

THOMAS C. HENRY

JAMES S. STIER

CONCURRED IN 11-26-85

SANDRA E. KENNEDY
CITY CLERK